



NIIT Technologies Limited

**Quarter 4 and Annual Earnings Conference Call – Financial Year 2008
June 11, 2008**

Moderator: Good evening Ladies and Gentlemen. I am Manjula, the moderator for this conference. Welcome to the NIIT Technologies Limited Conference Call. For the duration of the presentation, all participants' lines will be in the listen-only mode. I will be standing by for the question and answer session. I would like to hand over to Mr. Arvind Thakur. Thank you and over to you sir.

Arvind Thakur: Thank you Manjula and good evening Ladies and Gentlemen. I would like to welcome you to this call where we will be discussing the NIIT Technologies' annual results and also talk about the Quarter 4 results. I have with me Mr. K. T. S. Anand who is our CFO and Mohit who runs our...looks after our investor relations. Mr. Pawar should be joining in a little later. He is right now in another room, in a press conference where NIIT is making an announcement with Genpact. So, when he joins in, I will introduce him to you as well. So, let me just get started by, you know, just looking at the backdrop of the environment within which we will be discussing the results. As most of you are aware, the last fiscal presented a tough economic environment for the industry. As you are all aware of the sub-prime crisis in the US which has led to the credit crisis resulting in reduced consumer spending and contributing to the overall economic slowdown in that geography. The dramatic appreciation of the rupee in the first quarter of the year against the US dollar and towards the end of the year against other major currencies put unexpected pressures on the top line as major revenues in the industry are from export activities, which are accounted for in Indian Rupees. At the same time, cost structures continue to increase on account of across-the-board wage increases that were implemented early in the year and other operating costs driven by inflationary trend adding to pressures on the margins. More recently, the increase in oil prices is creating yet another challenge adding to inflation and in fact causing the rupee to depreciate and while rupee depreciation is good for an exporting industry, there are issues to be contented with, with respect to mark-to-market notional losses on positions taken, on positions that were taken to hedge against the stronger rupee during the year and these needed to be provided in the last quarter and so you may see some short-term erosion of earnings as a result of that. So, with this background, let me talk about the annual results first. Revenues for the year stood at 9415 million Rupees, which is up 6% over last year. Net profits stood at 1353 million Rupees, which is up 5% over the same period last year. Operating profits stood at 1763 million Rupees which is a decline of 2% over last year. If I analyze revenues for the financial year, IT Solutions contributed to 8901 million Rupees while BPO revenues were 554 million representing 5% of the overall revenues. As with the previous year, Europe contributed to 50% of the revenues and 32% from the US. The rest of the world including Asia and Australia accounted for the balance 18% and the mix remain unchanged over the previous year. We saw some strong traction in the domestic market with

India showing one of the strongest growth in the region indicating strong potential in this market. As you are aware, we are primarily focused on three industry segments, BFSI, travel and transport, and retail and distribution. 44% of our revenues were derived from the financial services segment which is BFSI and of which the lion's share was from insurance. Insurance actually represents 28% of the overall revenues. Travel and transport accounted for 25% and retail and distribution of 12%. The proportion of revenues continue to increase from these focus verticals which now contribute to 81% of the overall revenues and this actually reinforces our commitment to these segments and establishes our differentiated specialization in these spaces. Our top five clients accounted for 36% of our revenues and top ten 47%. This is proportionately lower than last year representing a further broad-basing of customers and this is supported by the steady increase in million dollar clients that we have which were 35 in quarter one and moved steadily up to 42 at the end of the year. Offshore revenues were 38% during the year, which is again an improvement over the previous year which was at 36%. Operating profits declined by 2% during the year to 1763 million Rupees with margins dipping by 163 basis points to just under 19%. Environmental factor as explained earlier was the primarily contributor to this decline. Net profits, however, improved by 5% on lower depreciation and improved taxation during the year.

The year saw the company initiate many transformational steps to make the business nonlinear. This is something which I have been discussing with you earlier as well. Traditionally, IT Services business is a linear business. A growth in revenues implies proportionately growth in headcount, and we have been expediting our movement towards businesses that provide, that delink that, and new services like infrastructure management that were introduced in the last year, the year before last I beg your pardon, saw increased traction growing by 47%. So, that is a healthy sign. We have created a roadmap to re-platform solutions in the insurance domain that we had acquired through with Room solutions and we are set to launch these as platform-based services. More recently, in the last quarter, we acquired German-based SofTec to strengthen our position in the travel and transport domain and utilize the intellectual property so as to create similar IT-led services and we struck partnerships and alliances to create a new offering which is software as a service which I believe is a whole new paradigm in delivering application services. While these initiatives have been taking shape, the company continued to strengthen its traditional ADM or application development and maintenance business. We had all our facilities reassessed in accordance with the new version 1.2 of the CMM model at level 5 making us one of the early adopters of this updated stringent standards. Besides that, our data centers in Bangkok, Mumbai, Delhi are certified to service management standards of ISO 20000 and all the facilities conform to the security standards of ISO 20001. We added 21 new customers during the year. We have significant customers which include large global airline based out of the US, Fortune 100 diversified travel firm, organizations like SITA and so on, and almost 91% of the business during the year was repeat business. This truly signifies the satisfaction with the service and deepening of relationships with existing customers. So, that, in a nutshell, is the experience during the financial year 07-08.

Let me dwell a little bit on the last quarter and talk about the quarterly results for the fourth quarter. This has been a fairly robust quarter with revenues up 6% quarter on quarter to 2485 million. Operating profits were up 5% quarter on quarter to Rupees 467 million. Net profits were, however, down, 11% quarter on quarter to 310 million, and this is primarily on account of the notional loss provided of 67 million Rupees in taking guidance from the AS-30 standards for derivative instruments. We will talk a little bit more in detail about this as this was the notional loss taken on account of mark to market for the positions that we have taken in future. We had a record intake of US \$81 million during the quarter and as we have seen throughout the year, every quarter the intake has been better than the previous quarter.

Two significant events took place during the quarter. One was the acquisition of SofTec which, as I explained earlier, was the company that we acquired that provides focused airline IT solutions and services. These services are in the revenue accounting space and with this acquisition, we acquired about 40 new airlines as customers and these are airlines primarily in Europe that we acquired. Company is a revenue accounting leader in the market place and its intellectual property or product suite which is called Monalisa is a well-known brand in the industry, which also includes core modules of passenger revenue accounting, flight operations, route cost analyzer, as well as MIS for airlines. So, this is a good fitting asset that we have acquired for the company and as you know, we are very sharply focused in the travel and the transport industry and this really strengthens our position in that particular space. Let me just talk a little bit about some of the other relationships. Room solutions was fully integrated last year and in the last quarter clocked a revenue of 290 million on the strength of good license sales and it delivered an operating margin of 10.5% on a standalone basis. There is a major replatforming of their flagship product Subscribe which is underway to create a service-oriented architecture and enable the organization to deliver what I termed earlier as non-linear services by providing platform-based services. Our joint venture with Adecco became operational on 1st of July and in the nine months, revenues during the year were 40 million Rupees and as of March 31, 2008, there were 75 people engaged in servicing of various projects acquired through that relationship. At this stage, I would like to mention, however, that there are some major organizational changes taking place within the parent Adecco. This may have an impact on the JV operation going forward as there is a new structure being put into place where more operational responsibilities are being transferred to the individual countries. So, we are currently in discussion with Adecco on the way forward with this development.

Looking at the quarter's revenue, as I mentioned earlier, 2485 million Rupees were the revenues during the quarter. IT Solutions contributed to 2373 million Rupees while BPO revenues were at 112 million. 44% of these revenues came from BFSI with insurance contributing to 28%. Travel and transport represented 25% while retail and distribution improved to 13%. So, this segment is beginning to show signs of growth with traction coming in from packaged solutions and managed services. Traction improved in the US with new projects getting initiated leading to an increase in revenue share of 31%, I beg your pardon, 33%. Europe contributed to 47% of revenues while the rest of the world which includes Asia and Australia for the fourth quarter were at 20%. Looking at

margins in Quarter 4, they stood at 467 million Rupees with operating margins remaining steady at 19% and if you look at our margins across the four quarters, they have been steady at these levels throughout the year in spite of all the environmental pressures. I think we can now have a discussion on net profits. Given the volatility in the exchange rate and that our hedges were extending beyond a year, we have updated our risk management policy by adopting recognition and measurement from the AS-30 accounting standards for hedge accounting. As a result, the financial statements reflect the mandatory MTM or mark to market for forecasted transactions, which for the period represented a notional loss of 67 million Rupees. So, the net profit after accounting for this notional loss stood at 310 million Rupees which is, as I mentioned earlier, down 11% quarter on quarter, but if I add back this notional loss, in reality the net profits would have actually been up 9% quarter on quarter. Hedging position, the derivative instruments held by the company as on March 31, 2008, includes forward contract of 236 million US dollars and there are further instruments which include options of GBP to USD of 10.3 million and Euro to USD of 9.25 million. As I mentioned earlier, we had a record order intake of 81 million US dollars and that takes our order book executable over the next 12 months to 113 million US dollars. This intake includes repeat business from an existing client in the financial services space valued at over 17 million US dollars. In addition, we added five new significant customers during the quarter. We added 116 people during the quarter taking our total headcount at the end of the quarter and the year to 5118. 23% of the direct resources are engaged in onsite activities and 77% are engaged in offshore activities. I am pleased to report that the attrition rates further improved to 14.7%. Last quarter, they were 15.5%. So, there is an improvement. Cash and bank balances were at 1972 million. These reduced from 2398 million last quarter on account of debt repayment and increased CAPEX. Sundry debtors stood at 2178 million which is equivalent of 84 days of outstanding. Going forward, I think we need to contend with the fresh environmental challenges as we move into the next financial year, the most significant being the runaway crude prices because increased prices will contribute to all round inflation adding to the cost of doing business and dampening economic activity. The industry response to these challenges have been to extract further operating efficiencies or to go to new markets like Europe and emerging markets or introduce new services like infrastructure management or testing services. Our response has been all the above and in addition to that, we are also creating new business models which would transform the way we do business, foundations of which have been laid in the last few quarters and a good part of the year would go into putting these solutions into the market place. These transformational steps will make our business non-linear which will create a superior value proposition, thereby dramatically changing our competitive position. These transformational programs are being developed around three lines. First thing, integrated services which builds on the traction that we now have in infrastructure management services to integrate both application as well as process, our BPO services, platform services which includes solutions around our own intellectual property like Subscribe or Monalisa or through partnerships, you know, and some of these are already in place and we are delivering solutions around them, and of course SaaS or as "Software as a Service" which is a

whole new paradigm in delivering services. We expect these lines to contribute to at least 25% of revenues in the coming year and growing rapidly over the future years. Such is the potential of these businesses and a lot depends on the earlier successes which we will experience as we roll out these services in the coming fiscal. So, with these opening remarks, I would like to open the lines and invite you to ask your questions, which I will be happy to answer. Over to you Manjula.

- Moderator:** Thank you very much sir. We will now begin the Q&A interactive session. Participants who wish to ask questions may kindly press *1 on your telephone keypad. 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, please press *1 now. First in line, we have Mr. Ruchit Mehta from HSBC.
- Ruchit Mehta:** Yeah. Hi, good evening. Can you give us a sense of what was the actual dollar revenues in the year and the growth in US dollar terms?
- Arvind Thakur:** That will be tough because dollar revenues only account to 32% of our total revenues.
- Ruchit Mehta:** No, I mean to say your 941 odd crores of revenues translated to US dollar terms would mean how much and the growth in that, like currency growth.
- Arvind Thakur:** Okay. What I can probably do is give you an idea of what is the currency impact, if that is what you are looking at.
- Ruchit Mehta:** Okay.
- Arvind Thakur:** Right, because most of the revenues come in GBP and Euros.
- Ruchit Mehta:** Okay.
- Arvind Thakur:** So, I think over the year...in the last quarter, the currency impact has been 0.9%...
- Ruchit Mehta:** Okay.
- Arvind Thakur:** ...on a Q-on-Q basis and 7% on a Y-on-Y basis.
- Ruchit Mehta:** And for the year as a whole?
- Arvind Thakur:** For the year, I would have to give you an approximate figure at this time, but it would be around 7%.
- Ruchit Mehta:** Okay, okay. Just to get a sense of your Q4 numbers, out of this 2373 million of IT solutions, how much came in from SofTec?
- Arvind Thakur:** SofTec would be negligible because it was acquired only in February of the last quarter.
- Ruchit Mehta:** Okay. But, therefore if you look at, if you strip out the Room solutions revenues from this, IT solutions seem to be very flattish in this quarter, any particular reason?

Arvind Thakur: Flattish versus what?

Ruchit Mehta: Versus Q3.

Arvind Thakur: I would not think so, but let me just see because we now look at the whole business in an integrated manner.

Ruchit Mehta: Okay. Just on the operating margins, can we get a sense on what margins the BPO business had?

Arvind Thakur: BPO business had...you are looking for the quarter?

Ruchit Mehta: Yeah and for the year as a whole.

Arvind Thakur: Okay. For the quarter, it is 4.34%.

Ruchit Mehta: Okay. And for the year as a whole?

Arvind Thakur: And for the year it is 2.15%.

Ruchit Mehta: Okay. Just in terms of the growth outlook, if we can get a sense of what sort of numbers you are targeting for next year because this year we have probably grown about 13% to 14% on a year-on-year basis whereas in terms of industry despite the rupee headwind grew almost 25% odd and considering the slowdown that the industry is going to face this year, what sorts of growth rate are we targeting for the current year?

Arvind Thakur: As you know, we don't do...we don't give guidance of that kind and you will need to look at what is our growth trajectory over the year and, you know, make your projections. As you have seen, every quarter we have been growing better than the previous quarter. So, you may want to make your own assessment around that. What I can definitely comment on is that the growth would be muted in the first half of the year and be more bunched towards the second half of the year.

Ruchit Mehta: Okay, okay. But would you likely match industry level growth rates or again this year there might be an issue towards matching industry level growth or so on?

Arvind Thakur: No, our intent of course is to match industry level growth.

Ruchit Mehta: Okay. And in terms of your overall EBITDA margins, you know, what sort of outlook do you have over the...I mean if we can get a sense of what cost pressures we are having right now?

Arvind Thakur: Yes, so you would have seen that because of those pressures, our EBITDA has dipped from 20% last year to 19% in this year. What we would definitely like to do is to hold to our EBITDA and see whether we can improve it by a percentage point through our non-linear initiatives.

Ruchit Mehta: Okay, great. Finally, just can we get a sense of what is your investment plan going into fiscal 09, what sort of money are you spending on CAPEX?

Arvind Thakur: Just a sec, I am just trying to take out those numbers. Okay, maybe we will just get back to you with that.

Ruchit Mehta: Okay, no problem. And just finally on SofTec, can we get a sense of last fiscal before you acquired it, what sort of revenues did they actually have and its profitability as well.

Arvind Thakur: It is a small acquisition, it is less than 5 million dollars.

Ruchit Mehta: Okay.

Arvind Thakur: So, you know, the real reason for acquiring that is not for the revenues, but the real reason for acquiring that is for the intellectual property and the access that it gives to, you know, the customer base in the region.

Ruchit Mehta: But was it profitable?

Arvind Thakur: Yes, it was profitable.

Ruchit Mehta: Okay. Thank you so much.

Arvind Thakur: You're welcome.

Moderator: Thank you very much sir. Next in line, we have Mr. Ashwin Mehta from Mangal Keshav Securities. Over to you sir.

Ashwin Mehta: Hello. Just wanted to know what has caused the jump in DSOs from 69 to 84 days in this particular quarter.

Arvind Thakur: Yeah, I will explain that. Actually, you know, some of our new clients...

Ashwin Mehta: Okay.

Arvind Thakur: ...had to get their, say their purchase procedures or payment procedures aligned to the way this contract is done.

Ashwin Mehta: Okay.

Arvind Thakur: Actually these BRs had been collected in the two weeks post the closure and if I were to look at the current BRs right now, it is less than what it is, you know, in the last quarter. It is actually 65 days as of now.

Ashwin Mehta: What is our hedge position as of now, I couldn't get it clearly.

Arvind Thakur: Our hedge positions are 236 million dollars.

Ashwin Mehta: 236 is it?

Arvind Thakur: Yes.

Ashwin Mehta: Okay. In terms of given the fact that rupee has further depreciated, would that mean that we would further run the risk of having mark to market losses in the subsequent quarters as well on account of such a high hedge position?

Arvind Thakur: No, see there are two things over here.

Ashwin Mehta: Yeah.

Arvind Thakur: You should look at what is the effective hedge and what is the noneffective hedge.

Ashwin Mehta: Yeah.

Arvind Thakur: So, out of the 236 million dollars, 90% is effective...

Ashwin Mehta: Okay.

Arvind Thakur: ...and 10% is noneffective.

Ashwin Mehta: Okay.

Arvind Thakur: That will be subject to variation.

Ashwin Mehta: Okay, fine. And in terms of Room solutions, we were expecting a revival sometime in Q2, do we see that happening around the same time or there is some change in that particular situation?

Arvind Thakur: So, you would have seen that there is an improvement in the Room Quarter 4 business results.

Ashwin Mehta: Yeah.

Arvind Thakur: But I explained to you, they are still in an investment mode where they are refurbishing their platform and making those investments. That, we expect to be completed by the end of Q2.

Ashwin Mehta: Okay. And just one last thing, one data point in terms of what was our SG&A this quarter? Hello...

Arvind Thakur: This quarter is 19%.

Ashwin Mehta: Okay. Thanks a lot sir.

Arvind Thakur: Welcome.

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

Arvind Thakur: Just before you start Dipen, just like to inform everybody that Mr. Pawar has joined the meeting, so he is also now part of the discussion.

Dipen Shah: Okay. Yeah, just...most of the questions have been answered, just a couple of things. First of all, can we just have some data about the dollar 5 and dollar 10 million accounts which the company has and how have they grown over the past couple of quarters, that is the first question please.

Arvind Thakur: Well, we have...we don't disclose the contract values. As I shared with you, we have 42 million dollar accounts, but what I can talk about is top five and top ten accounts, which as I shared with you, our top five accounts...

Dipen Shah: Yeah, that data is already there in the data sheet, maybe...

Arvind Thakur: Yeah, that is already available to you right?

Dipen Shah: Yeah, but may be I just thought may be if some color can be thrown on how are we mining our existing accounts and how much have they graduated over the past maybe two to three quarters or four quarters.

Arvind Thakur: I think as I shared with you in terms of mining, you know, our repeat business is over 90%. So, to that extent, most of the current revenues come from our existing accounts and if you look at, you know, our top ten accounts, they will account for majority of the revenues that we get. So, to that extent, each one of them is being developed extremely well.

Dipen Shah: Okay, because going by that same standard when our revenues for the year have grown by 6%, would that translate maybe into a 5% to 6% growth for the top accounts for the whole year as well?

Arvind Thakur: I think you can do a quick calculation because the sheet is available with you.

Dipen Shah: Okay.

Arvind Thakur: Okay.

Dipen Shah: Okay, the second one is how is the BPO business doing right now, the current quarter was a 10% degrowth, maybe has it scaled down from the large client or are we defocusing it much more, what will be the prospects for the BPO business in the current year and second part is how many employees do we plan to add in IT and BPO for this year.

Arvind Thakur: Okay. I think as I have been sharing quite often, our BPO business is not a standalone business.

Dipen Shah: Sure.

Arvind Thakur: It is a business which is supportive of our overall solutions business...

Dipen Shah: Correct.

Arvind Thakur: ...where we provide end-to-end solutions to our customers and going forward when we are talking about integrated services where, you know, the BPO operation is going to play a real role. So, what we have really done is, something which I have been sharing with you as well, is that we have been exiting out of, you know, processes which are not aligned to the industry segment that we are focusing on so that we can build these capabilities.

Dipen Shah: Okay.

Arvind Thakur: So, treat the BPO business more of a supportive business than a standalone business which is going to have its own growth trajectory.

Dipen Shah: Okay, fair enough. And how about the number of employees to be added in FY09?

Arvind Thakur: I think we would probably be looking at the same number of employees that we added in this particular year.

Dipen Shah: Okay.

Arvind Thakur: Please remember that going forward, we are looking at an increased share of nonlinear business. So, there is no direct correlation between revenues and employee addition.

Dipen Shah: And just for our records sake, how much did this platform-based nonlinear kind of businesses contribute in this year?

Arvind Thakur: In this year, it would be close to 20% or maybe little over 20%.

Dipen Shah: Okay. And that you expect to go up to 25 by the next year.

Arvind Thakur: That's right.

Dipen Shah: Okay. And just last one thing for my understanding, as far as these hedges are concerned, you said 90% are effective hedges and 10% are noneffective. So, would the mark to market be done for all the 100% of the hedges in the current quarter, quarter-wise, or it will be done on a yearly basis.

Arvind Thakur: It will be done for every quarter.

Dipen Shah: Okay. And so as the previous person had asked and that would once again entail some kind of mark to market losses on a quarter end basis for the whole of the 236 million dollars, would that be right?

Arvind Thakur: For the noneffective portion.

Dipen Shah: Okay.

Arvind Thakur: I explained 10% is noneffective, 90% is effective, and the 10% noneffective portions will apply...

Dipen Shah: Okay.

Arvind Thakur: ...and of course it depends upon which way the currency moves.

Dipen Shah: Yeah, that's true.

Arvind Thakur: It is only if the rupee depreciates further will the losses be incurred.

Dipen Shah: Correct. Okay, thanks very much.

Arvind Thakur: That will be absolutely zero.

Dipen Shah: Okay. Thanks very much. All the best.

Arvind Thakur: Thank you so much.

Moderator: Thank you very much sir. Next in line, we have Mr. Pankaj Kapoor from ABN Amro. Over to you sir.

Pankaj Kapoor: Yeah, hi sir. Just a few questions on the business. You mentioned about the focus on the nonlinear growth. For this year, that is for FY08, can you give a sense in terms of how much would have been the volume and how much would have been the realization improvement.

Arvind Thakur: I just...for this year, I did mention about 20%.

Pankaj Kapoor: 20% I think was a share of the nonlinear business. So, if I look at this year's top line growth...

Arvind Thakur: Yeah.

Pankaj Kapoor: ...how would you split between volume growth versus last year and how much would have been from that.

Arvind Thakur: Are you talking about the nonlinear part?

Pankaj Kapoor: No, no, overall.

Arvind Thakur: Overall?

Pankaj Kapoor: Yeah.

Arvind Thakur: If you look at volume growth, you basically will need to add back the currency losses.

Pankaj Kapoor: Okay, which you mentioned was 7%.

Arvind Thakur: Yeah. So, that will be the volume growth.

Pankaj Kapoor: So, for 6% revenue growth that you have reported, if I add back 7% to that, it will come to about something around 13% or so.

Arvind Thakur: That's right.

Pankaj Kapoor: So, essentially that is the volume growth.

Arvind Thakur: Right.

Pankaj Kapoor: And how much would have been the realization improvement year on year?

Arvind Thakur: Realization you mean in terms of margin?

Pankaj Kapoor: No, in terms of pricing.

Arvind Thakur: Billing rates, oh okay, okay, okay. Billing rates to my mind would have improved by less than 3% overall. Hello Pankaj?

Pankaj Kapoor: If I add back the pricing improvement, that means effectively in dollar term, we should have grown by about 16% odd, is it right?

Arvind Thakur: Could be.

Pankaj Kapoor: Okay. And this nonlinear initiative share you mentioned is 20%, how would that be say for example in 07?

Arvind Thakur: Nonlinear 07?

Pankaj Kapoor: Yeah.

Arvind Thakur: If I am not mistaken, it would be about 15% or 17%. Let me just check that Pankaj, one second. Hello...

Pankaj Kapoor: Yes sir.

Arvind Thakur: 18%.

Pankaj Kapoor: So, basically on a year-on-year basis, we had a 2% improvement in nonlinear initiatives which directly flowed into the pricing improvement. So, if we are looking at around 5% improvement in the share of nonlinear initiatives, then should it be right to assume that there could be about a 4% to 5% improvement in the average realization on a year on year basis.

Arvind Thakur: Pankaj, I have not done that level of calculations.

Pankaj Kapoor: Okay, okay. And from next year growth perspective, I mean where you see I mean the split coming in between in terms of volume and pricing, how does the whole think will stack up, any sense on that because we are looking at effectively capping our hiring to the last year's level and with utilization running at close to optimal level, where will you see the gain coming in.

Arvind Thakur: Gain is going to come from value realization.

Pankaj Kapoor: Okay.

Arvind Thakur: And, you know, for example, that is what we are seeing with Room in Quarter 4. No head count added, but tremendous value realized out of the solutions that they delivered.

Pankaj Kapoor: Okay, fair enough. And in terms of BPO, I understand like you mentioned that is more of a support kind of a thing rather than full focussed operation, but even from outlook perspective, how should we look at it, I mean there has been a constant degrowth in the manpower over there. So, how should we look at this business going forward.

Arvind Thakur: I think you should look at it, like I said, like any other support activity...

Pankaj Kapoor: Okay.

Arvind Thakur: ...looking at scaling.

Pankaj Kapoor: Right, right. Okay. And a few data points sir, one on Room, can you just repeat the revenue, I actually missed that number.

Arvind Thakur: I think I said 290 million.

Pankaj Kapoor: Okay. And how much would have been the license revenues out of that?

Arvind Thakur: That breakup I wouldn't have right now Pankaj.

Pankaj Kapoor: Okay. And sir in terms of the order pipeline that we mentioned, is SofTec included as part of that?

Arvind Thakur: Come with your question again.

Pankaj Kapoor: The order pipeline that we have mentioned, is SofTec included as a part of that, I mean in that...

Arvind Thakur: No, no, we have not yet included anything about SofTec into this.

Pankaj Kapoor: Okay. And how much would have been from Room in this order pipeline?

Arvind Thakur: I think 5 million....7.7 million dollars.

Pankaj Kapoor: Okay. And sir on the interest, the other income, if you can give me a breakup in terms of how much would have been the interest income and interest expenses for this quarter as well as for the full year.

Arvind Thakur: Okay, let me just take that data out. For the quarter, it is 6.7 million interest income.

Pankaj Kapoor: Okay.

Arvind Thakur: What else were you looking for?

Pankaj Kapoor: Interest income and interest expenses.

Arvind Thakur: Interest expense is 12.8 million.

Pankaj Kapoor: Okay. And what would be for the full year.

Arvind Thakur: 40.2 million for the full year is interest income.

Pankaj Kapoor: Sorry.

Arvind Thakur: 40.2 million.

Pankaj Kapoor: Okay.

Arvind Thakur: And 50.8 million is interest expense.

Pankaj Kapoor: Okay, fair enough. And sir lastly on the...the first question actually referred to this in terms of the dollar term revenues. Can you give me some sense in terms of what is the realized dollar exchange rate?

Arvind Thakur: I don't think we have that figure Pankaj.

Pankaj Kapoor: Okay. And lastly, what is the kind of salary hikes are we looking for this year?

Arvind Thakur: This year the offshore is going to be less than 10%.

Pankaj Kapoor: Okay, okay, fair enough. Thank you so much.

Arvind Thakur: You're welcome.

Moderator: Thank you very much sir. Participants who wish to ask questions, may kindly press *1 on your telephone keypad. Next in line, we have Mr. Ganesh Shetty from Individual Investor. Over to you sir.

Ganesh Shetty: Good evening sir.

Arvind Thakur: Hello Ganesh.

Ganesh Shetty: Yeah, good evening sir. Congratulations for decent set of numbers in spite of tough macroeconomic and industry-specific challenges sir.

Arvind Thakur: Thank you.

Ganesh Shetty: Sir, my first question is towards are we on schedule for starting our first phase of operation at our new development facility coming up at Noida sir?

Arvind Thakur: Yes, let me, since you have asked that question, let me just update everybody on the status of the campus. We are scheduled to complete the first phase by December of this year.

Ganesh Shetty: Yeah.

Arvind Thakur: At this point in time, I think seven floors, the seventh floor roof has been put into place. So, there is good activity happening on the campus. The first phase has the capacity to house 3500 people.

Ganesh Shetty: Yeah sir. My second question is regarding the sense that are we going slow on new recruitment and also on CAPEX for second and third phase of operations at our SEZ looking at industry and the macroeconomic conditions.

Arvind Thakur: Well, yes, in the sense that, you know, first we have to utilize the capacity that we are creating which is quite substantial.

Ganesh Shetty: Yeah.

Arvind Thakur: And only once we start utilizing that capacity will we make the investments in the second and third phase.

Ganesh Shetty: Yeah. Yes sir, my next question is towards SofTec, how much time it will take to integrate SofTec into NIIT Technologies and be part of NIIT Technologies and the revenue generating out of SofTec and integration towards NIIT Technologies and some BPO businesses like...how much time it will take normally.

Arvind Thakur: I think by the end of this quarter it will be fully integrated.

Ganesh Shetty: Yeah. Thank you very much sir and all the best sir. Thank you very much.

Arvind Thakur: Thank you Ganesh.

Moderator: Thank you very much sir. Next in line, we have Mr. Anuj Sharma from ASK Investment. Over to you sir.

Anuj Sharma: Yes sir, you said that you are focusing on core business income from BPO segment, just wanted to know how much of the 50 crores would be from focus areas and how much would be nonfocus areas just to understand how much pain is there in the system.

Arvind Thakur: Okay. I don't know whether I can take that information out immediately, let me see. Yeah, from the industry segment and...Okay, I don't think we have that data immediately available.

Anuj Sharma: Okay, but is it fair to assume even though it is supportive business, it will continue to grow at the IT Services growth rate or do you think because if you remember Q3 you said there was a ramp-down in a large client and the revenues would be flattish. Now, again we are seeing a slowdown, so just wanted to get some sense on how this segment will behave.

Arvind Thakur: Yeah, I think, you know, as I mentioned earlier, this segment will also behave like the rest of industry. It will be muted in H1 and it will start picking up in H2.

Anuj Sharma: Okay, okay. Secondly on Room, you said clients are deferring their solutions for Room due to new platform, suddenly we see a ramp-up in Room solutions revenues, so just wanted to understand how is this happening.

Arvind Thakur: Well, no, this ramp-up is on the old solution itself.

Anuj Sharma: Okay.

Arvind Thakur: So, it is not that, you know, Room is only waiting for the new platform to come out. They are pretty active in positioning whatever solutions they have.

Anuj Sharma: Okay.

Arvind Thakur: Very often, you know, these are actually more usage within existing clients of existing licenses.

Anuj Sharma: Okay.

Arvind Thakur: So, you know, those are the revenues that come in from the old solution and new acquisitions is where, you know, we will have to bear with the new platform coming out because obviously new customers would want to wait and invest only in the latest technologies.

Anuj Sharma: Sure. And we are on time for achieving that new platform and integrating that newer platform by Q2 of this year?

Arvind Thakur: By the end of Q2 is our current target.

Anuj Sharma: Okay. Has it been rescheduled because earlier it was Q1 end, Q2 earlier.

Arvind Thakur: It is not rescheduled, but, you know, the platform has many modules.

Anuj Sharma: Okay.

Arvind Thakur: So, we are looking at a more robust solution to come out by Q2.

Anuj Sharma: Okay. Another thing is on Adecco, just wanted to understand, you know, from your earlier understanding of what Adecco might flow into your revenue, profit and loss, how do you see that situation changing as of now, I mean there is reconsideration, I mean what sense or visibility do you get in this venture.

Arvind Thakur: See, that is the reason why we are in discussions with them because of the reorganization.

Anuj Sharma: Sure.

Arvind Thakur: Basically, what has happened is a lot of corporate functions have devolved into countries. So, the interactions that we were having, you know, at a centralized level now are getting decentralized.

Anuj Sharma: Okay.

Arvind Thakur: So, we are trying to see how best, you know, do we go forward with that entity and engagement with Adecco.

Anuj Sharma: So, do you see a clear delay in the earlier ramp-up which you had scheduled for Adecco.

Arvind Thakur: Yeah, I would say so.

Anuj Sharma: Okay, okay, okay. And just a data point, our tax rate has been roughly 12% this year, sorry 9%, how do you see that moving next year?

Arvind Thakur: I would assume it will increase to 12% in the next year.

Anuj Sharma: Okay, fine. Thank you so much.

Arvind Thakur: You're welcome.

Moderator: Thank you very much sir. Next in line, we have Ms. Mythili Balakrishnan from JP Morgan. Over to you ma'am.

Mythili Balakrishnan: Hi. Couple of questions here. I was actually wondering a little bit about your growth outlook because you mentioned something about a muted first half and then getting stronger into the second half, could you comment something on like what is the visibility given your order pipeline and your order book that you are seeing into the stronger second half.

Arvind Thakur: Well, I think the visibility exists simply because our intake has been very good during this year, particularly the last quarter. You would have seen that our orders executed over the next 12 months have actually jumped from 102 million to 113 million.

Mythili Balakrishnan: Correct.

Arvind Thakur: So, you know, that is a very good sign.

Mythili Balakrishnan: But a lot of that you have seen sort of getting, probably executable over the second half of the year.

Arvind Thakur: No, what I am saying is that what is going to take us...yeah, that is what is going to take us through because 113 million is not the full revenue that we expect for the full year.

Mythili Balakrishnan: Correct.

Arvind Thakur: Right, so there has to be lot more intake that has to happen during the year itself.

Mythili Balakrishnan: Exactly.

Arvind Thakur: But typically if you have an intake of six months in hand, you are very comfortable.

Mythili Balakrishnan: No sir, I was just wondering because you had mentioned that your first half is still going to be muted and second half it will be better, so I was just wondering whether there is anything specific that you are seeing in the environment that makes you say it or...

Arvind Thakur: Yeah...

Mythili Balakrishnan: ...acceleration in the second half, what is driving that for you?

Arvind Thakur: See, there are couple of things in the environment which are, you know, quite disturbing and as I talked about earlier, the most significant is the price of...the runaway prices of crude.

Mythili Balakrishnan: Okay.

Arvind Thakur: And I expect that to, you know, cause some disturbance, particularly in some segments that we are focused on, you know, like the travel and transport space.

Mythili Balakrishnan: Okay.

Arvind Thakur: So, we expect, you know, that there may be some delays...

Mythili Balakrishnan: Some softness in that particular segment.

Arvind Thakur: Yeah.

Mythili Balakrishnan: Okay. Secondly, also wanted to check with you, you had quite a bit of a good growth which has happened in the BFSI segment and any particular drivers for that, any customers that are ramping up or...

Arvind Thakur: Yes, I think some of our US customers have ramped up extremely well. In fact, I even talked about a repeat business of 17 million that we have acquired. So, you know, that is what is driving that growth.

Mythili Balakrishnan: Okay. In terms of cross-sell opportunities with Room which I think earlier we had mentioned as one of the key drivers for the acquisition itself, what has been the status there?

Arvind Thakur: I think that is very good, particularly...in fact in some accounts we have been able to provide exactly what I was describing earlier as nonlinear activity which is on Room's platform offering BPO services and therefore providing complete integrated services.

Mythili Balakrishnan: Okay.

Arvind Thakur: So, those are the kind of experiences that we are having in cross-selling.

Mythili Balakrishnan: But has that become like a substantial part or it is slightly, you know...

Arvind Thakur: See, right now, because of the old technology, it is in bits and pieces, but when we have the new platform, that is when it will become a substantial part of this.

Mythili Balakrishnan: Okay. I just wanted to recheck my number, Room solution you said this quarter was 290 million Rupees revenues and 10.5 EBITDA margins, right?

Arvind Thakur: Yes.

Mythili Balakrishnan: Okay. And lastly CAPEX which you have planned out for FY09?

Arvind Thakur: CAPEX...sorry...

Mythili Balakrishnan: CAPEX.

Arvind Thakur: One second. 150 crores is the CAPEX plan.

Mythili Balakrishnan: Okay sir. Thanks, thanks a lot.

Moderator: Thank you very much ma'am. Next in line, we have Mr. Neerav Dalal from Capital Market. Over to you sir.

Neerav Dalal: Sir, all my questions have been answered. Thank you.

Moderator: Thank you very much sir. I repeat, participants who wish to ask questions may kindly press *1 on your telephone keypad. Next in line, we have Mr. Sanjay Parikh from ASK Invest Managers. Over to you sir.

Sanjay Parikh: Yeah. Can you just give me a breakup of this 150 crore CAPEX, why such a huge CAPEX.

Arvind Thakur: Okay, so I have to dig out the papers again.

Sanjay Parikh: Yeah, meanwhile can I ask the second question?

Arvind Thakur: Okay, here they are. Again in broad heads, capacity expansion about 50 crores.

Sanjay Parikh: Right.

Arvind Thakur: New campus about 80 crores.

Sanjay Parikh: Okay.

Arvind Thakur: Project-based CAPEX is about 20 crores.

Sanjay Parikh: Okay, okay. Secondly, I think the intelligent part was a good payout that you announced, that was really positive. One more thing I wanted to allude is what visibility that when you talk to your clients in terms of, you know, in this environment in each of the areas, you know, what is it that you get to understand as your visibility from your existing clients, I mean it is going to grow or it is going to be flat or how is it going to be?

Arvind Thakur: I think our biggest concern is in the US...

Sanjay Parikh: Okay.

Arvind Thakur: ...where there is a definite slowdown.

Sanjay Parikh: Right.

Arvind Thakur: But fortunately only 32% of our business in the US.

Sanjay Parikh: Yeah.

Arvind Thakur: To that extent, we will expect a little slowdown of activity over there.

Sanjay Parikh: Okay.

Arvind Thakur: But our bigger concern is, you know, from the crude, oil price increase...

Sanjay Parikh: Okay.

Arvind Thakur: ...and, you know, although nobody has specifically spoken about it...

Sanjay Parikh: Right.

Arvind Thakur: ...but I am anticipating...

Sanjay Parikh: Right.

Arvind Thakur: ...slowdown in areas which are going to get impacted by this price increase.

Sanjay Parikh: Right. That is the travel and transportation?

Arvind Thakur: Basically travel and transport.

Sanjay Parikh: Right. But within that, on US particularly, you know, one is the immediate lag, maybe softness in spending, but ultimately you know the offshore story of, you know, offshore being better and then increased spend, so do you think that there will be some pain for the next two quarters and then, you know, you will see

effectively, you know, the offshore story panning out and you will be able to take advantage or how does it go about in this environment?

Arvind Thakur: Yes, in fact that is the reason why I am talking about first half being muted and, you know, growth picking up in the second half...

Sanjay Parikh: Okay.

Arvind Thakur: ...because of precisely this reason. Basically, only what is going to happen is people are going to just rethink before engaging. They have to engage because this is a way out of the issue that they are going to be confronted with.

Sanjay Parikh: Right.

Arvind Thakur: But they are going to first rethink, so it is going to delay matters, and even, you know, in the travel and transport space that I talked about, fortunately we have acquired new clients in that space...

Sanjay Parikh: Right.

Arvind Thakur: ...and, you know, they need to scale.

Sanjay Parikh: Right.

Arvind Thakur: So, while the pressure is there from the environment...

Sanjay Parikh: Right.

Arvind Thakur: ...we will expect these to, you know, pull up pretty quickly and rapidly during the later part of the year.

Sanjay Parikh: So, if you were to contribute, I mean what will contribute to growth more this year, the organic existing clients or the new clients, if you were to say we would grow at X percentage.

Arvind Thakur: Growth...all this comes from existing clients. You see, 90%...

Sanjay Parikh: Right.

Arvind Thakur: ...of the business in the industry is repeat business.

Sanjay Parikh: Okay.

Arvind Thakur: So, growth always comes from existing clients. New clients are growth engines for the future.

Sanjay Parikh: So, then I would say that the new clients that you added this year, can they contribute to growth next year?

Arvind Thakur: Absolutely, absolutely. That is why I am saying in spite of the pressures that we are likely to see in the industry, the travel industry...

Sanjay Parikh: Right.

Arvind Thakur: ...because we have good new clients which were acquired last year...

Sanjay Parikh: Right.

Arvind Thakur: ...they are going to contribute...

Sanjay Parikh: Right.

Arvind Thakur: ...growth in this year.

Sanjay Parikh: Okay. And one question, a very straight question, you know, if we say industry is going to grow at 20% in volumes and I am not getting currency here, then can we say that we will grow at least 20%?

Arvind Thakur: I cannot comment on that.

Sanjay Parikh: Will we be equal to industry? I am not saying what rate we are going to grow, but will we grow equal to the industry as earlier we had expressively stated, you know.

Arvind Thakur: Yeah, in fact, that is what I keep repeating, that is our intent.

Sanjay Parikh: Sorry.

Arvind Thakur: I said that is what I keep repeating...

Sanjay Parikh: Yeah.

Arvind Thakur: ...that is our intent.

Sanjay Parikh: Okay, okay, fine. Thank you very much.

Arvind Thakur: You're welcome.

Moderator: Thank you very much sir. Next in line, we have Mr. Anubhav Khandelwal from B&K Securities. Over to you sir.

Anubhav Khandelwal: Good evening sir.

Arvind Thakur: Good evening.

Anubhav Khandelwal: My question is on fresh order intake part.

Arvind Thakur: Yes.

Anubhav Khandelwal: We can see that in the fourth quarter this year, the order intake, fresh order intake was 81 million dollars and in the fourth quarter FY07 it was 72 million dollars.

Arvind Thakur: That's right.

Anubhav

Khandelwal: So, is there kind of a seasonality we have to see in this business that the last quarter order intake, fresh order intake has to be increased?

Arvind Thakur: Yes, you will see a certain seasonality.

Anubhav Khandelwal: What can be the reason for that?

Arvind Thakur: The reason for that is because of number one is budget.

Anubhav Khandelwal: Okay.

Arvind Thakur: And number two is a lot of renewals also happen during that quarter.

Anubhav Khandelwal: Okay. And sir, second query I have some data points if you can provide me, what was the Adecco JV revenue for this quarter?

Arvind Thakur: For the quarter, I will not have, but for three quarters, it is 40 million.

Anubhav Khandelwal: 40 million, Rupees?

Arvind Thakur: Rupees, yeah.

Anubhav Khandelwal: Okay. And sir if you can give me...provide me a breakup of tax for this quarter.

Arvind Thakur: Breakup of tax?

Anubhav Khandelwal: Tax breakup for this quarter sir.

Arvind Thakur: Okay, tax breakup for this quarter...let me just hand you over to our CFO. KTS, you want to explain the tax breakup.

K. T. S. Anand: Yeah. Hi Khandelwal, this is KTS.

Anubhav Khandelwal: Hi sir.

K. T. S. Anand: This quarter, you know, we had a -9.

Anubhav Khandelwal: Okay.

K. T. S. Anand: And if you look for the year the number is 136.

Anubhav Khandelwal: Okay.

K. T. S. Anand: Yeah.

Anubhav Khandelwal: Yeah. Sir, what can be the current tax and deferred tax on it?

K. T. S. Anand: We have a deferred tax assets of 22 million.

Anubhav Khandelwal: 22 million?

K. T. S. Anand: Yeah.

Anubhav Khandelwal: And MAT credit would be for this quarter?

K. T. S. Anand: I don't have for the quarter, but I have the number for the year.

Anubhav Khandelwal: Okay.

K. T. S. Anand: It is around 90.

Anubhav Khandelwal: 90.

K. T. S. Anand: Yeah, nine zero.

Anubhav Khandelwal: Nine zero.

K. T. S. Anand: Yeah.

Anubhav Khandelwal: Okay. Thanks a lot sir.

Moderator: Thank you very much sir. Next in line, we have Mr. Sanjeev from Reliance Money.

Mr. Sanjeev: Good evening everyone. My question is pertinent to the margin side of the core IT business. This quarter you have seen kind of 120 basis points fall in the margin side. So, what is your message going forward for FY09 for the core IT business?

Arvind Thakur: I think the message going forward is that we would like to retain our margins. We have been steady at 19% for four quarters.

Mr. Sanjeev: Okay.

Arvind Thakur: We would like to continue with that and leverage the nonlinear elements of our business to see whether we can expand those margins.

Mr. Sanjeev: And for the Room solution part, you have said about that in this quarter there is a major license booking that has come up in the revenue of 14% Q-on-Q growth and for the forthcoming quarter we will be looking at new license booking, so...that is the new platform. So, we can expect the same kind of slump that we have seen in the precedent three quarters because the new platform will take some time, so a kind of revenue slump you will see in the forthcoming quarter.

Arvind Thakur: I may not be able to comment on that because I don't have their pipeline and, you know, details in front of me. It may be possible, yeah, that the next quarter is flat or could be down because the license revenues currently are getting derived out of existing customers. New customer acquisitions, we really have to rely on the platform that is going to get delivered in quarter two.

Mr. Sanjeev: Okay. So, margin side also is going to be lower as we have seen in Q3 FY08?

Arvind Thakur: It may not be lower.

Mr. Sanjeev: This quarter it is 10.5%. So, it is because of the higher license booking, but we are expecting a lower license booking, so the margin will also be on the lower side?

Arvind Thakur: Let me just comment again, since I don't have the details of the pipeline, I would not be able to comment whether license revenues will be lower in the next quarter or not. But yes, if it is lower, margins would be lower.

Mr. Sanjeev: Okay. Thanks a lot.

Arvind Thakur: Welcome.

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

Ruchir Desai: Hi, good evening. Just a question on Room solutions. This quarter, we saw margins rebound in this division. What is the outlook going forward for the margins in Room solutions considering that a new solution should be ready by Q2. So, I was just wondering what kind of margin outlook do you have for this business?

Arvind Thakur: You see, basically we would like to get the Room margins to the same levels as the margins of the rest of the software business.

Ruchir Desai: Okay. You also spoke about number of clients doing pilots for the new solution. Has that increased in any fashion in the past quarter or so?

Arvind Thakur: I don't have that number with me.

Ruchir Desai: Alright. You know, also on the offshore-onsite split, you know, you have mentioned in the previous quarters you would like to increase the offshore component, but for the whole year it has been more or less flat, the share of offshore and onsite. So, what is the outlook going forward, you plan to look at increasing offshore revenues or what is the kind of feeling you have, how do you expect this split to happen going forward?

Arvind Thakur: Well, actually this improved. You know, it was 36% year before last and 38% last year the offshore revenues. So, every year we have been improving our offshore revenues. I would be looking at another 2 percentage points improvement definitely in this year in our offshore revenues.

Ruchir Desai: Okay. And that would primarily come because of, you know, offshoring certain operations of Room to offshore centers or...

Arvind Thakur: Not just Room, but I think overall in the business because, you know, when you start new projects typically the onsite activity is a little more significant and the offshoring activity starts happening towards the later part of the lifecycle. So, I think new projects will start moving offshore and that is what is going to contribute to increased offshoring.

Ruchir Desai: Correct. And, you know, also on the pricing environment, you did mention that for the full year you saw a pricing of around 3...less than 3%. What is the kind of pricing environment for the next contracts you are signing in and also for the renewals that you are, you know, that you are taking right now.

Arvind Thakur: I think pricing has so far not been an issue, but I cannot say given the current economic environment what will be the pressure on pricing for the next year.

Ruchir Desai: No, but in your order intakes that you have taken in the past couple of quarters, what kind of pricing...

Arvind Thakur: Yeah, I mean they have been good prices.

Ruchir Desai: Okay.

Arvind Thakur: In fact, all the renewals come with, you know, standard clauses with prices linked to wholesale price indexes of various countries.

Ruchir Desai: Okay. And also you mentioned pushing your integrated offerings going forward, you know, considering that you have, you know, seen an improved order book, has there been any, you know, of your current client that you have taken in the past couple of quarters or of your order book that you have taken in the past couple of quarters. Is there...can you put a number to that with respect to integrated offerings, what portion would be for integrated offerings.

Arvind Thakur: I don't have a breakup, but yes I think a significant portion of that is integrated.

Ruchir Desai: Of the customers or of the order book?

Arvind Thakur: Of the order book.

Ruchir Desai: Alright. Alright, great. Thanks and all the best.

Arvind Thakur: Welcome.

Moderator: Thank you very much sir. Next in line, we have Mr. Ramprasad from Sundaram BNP Paribas. Over to you sir.

Mr. Ramprasad: Good evening sir. Just a couple of questions on the tax rates and the depreciation. Why is it this quarter you had a negative tax rate, that is my first question. Second question is that why is that depreciation this time is slow for the full year?

Arvind Thakur: Okay, I will request KTS to answer that.

K. T. S. Anand: The depreciation has reduced through the 4% of the revenues in comparison to the last year's 5%. Primarily because quite a lot good number of assets have retired during this period and as far as tax is concerned, this quarter there is a, you know, minus provision that is primarily because we have been taking a good, you know, hedging income in the last three quarters which is a loss during this quarter, and we have to take a mark-to-market provision for, you know, ineffective hedges which is around 67 million.

Mr. Ramprasad: Okay.

K. T. S. Anand: So, because of that, you know, there is a minus in that plus the MAT credit has been taken during this quarter for the year.

Mr. Ramprasad: So, basically you would take credit for your forex losses, I mean MTM losses.

K. T. S. Anand: Yeah because there is a, you know, mark-to-market provision being taken in the books of accounts.

Mr. Ramprasad: Okay, thank you very much and all the best sir.

Arvind Thakur: Alright, you're welcome.

Moderator: Thank you very much.

Arvind Thakur: I think we can now just take the last few questions.

Moderator: Yes sir.

Arvind Thakur: May be two.

Moderator: Sure sir. Next we have a followup question from Mr. Anuj Sharma from ASK Invest Managers. Over to you sir.

Anuj Sharma: Yes sir, two data questions. One is what would be the order book beyond 12 months?

Arvind Thakur: We don't talk about order book beyond 12 months.

Anuj Sharma: Okay.

Arvind Thakur: We only give order book for 12 months.

Anuj Sharma: The reason is lot of orders which don't actually flow in the next 12 months and we see a reasonable amount building there, so any indications as to how much there would be.

Arvind Thakur: No, actually I don't have the number to talk about it.

Anuj Sharma: Okay. And just one more thing, if you were to MTM the entire forex impact, what would be the impact on profit and loss today?

Arvind Thakur: Well, as of March 31, 2008, it is 67 million.

Anuj Sharma: Yes. The incremental impact if you will mark to market it today.

Arvind Thakur: I don't know if you are aware this is a very elaborate calculation.

Anuj Sharma: Okay.

Arvind Thakur: Ha ha ha.

Anuj Sharma: Okay, fair enough.

Arvind Thakur: So, we will talk about it at the end of the quarter.

Anuj Sharma: Okay, thank you so much.

Moderator: Thank you very much sir. Next in line, we have Mr. Ashwin Mehta from Mangal Keshav Securities. Over to you sir.

Ashwin Mehta: Sir, just one question. In terms of our forward cover of 236 million, this is spread over how many quarters?

Arvind Thakur: Spread over 10 quarters.

Ashwin Mehta: Okay, thanks a lot sir.

Moderator: Thank you very much sir.

Arvind Thakur: Okay, you can just take one last question if there is any. Otherwise...

Moderator: At this moment, there are no further questions from participants. I would like to hand over to the floor back to Mr. Arvind Thakur for final remarks.

Arvind Thakur: Thank you once again for your lively participation in this call. We are having an analyst meet tomorrow in Mumbai. That is scheduled at the Oberoi Trident at 5 o'clock. So, if there are any other followup questions that you wish to ask, I will be there with some of my management team members and we will be happy to interact with you. Thanks once again for participating in the call and good evening.

Moderator: Ladies and Gentlemen, 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.
