

## "Mphasis Q3 FY-17 Earnings Conference Call"

**February 1, 2017** 





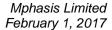
MANAGEMENT: Mr. NITIN RAKESH – CEO, MPHASIS LIMITED

MR. GANESH AYYAR – EX-CEO, MPHASIS LIMITED

MR. V SURYANARAYANAN – CHIEF FINANCIAL

OFFICER, MPHASIS LIMITED

MODERATOR: MR. SHIV MUTTOO – CDR INDIA





**Moderator:** 

Good day ladies and gentlemen and welcome to the Q3 FY 17 Earnings Conference Call of Mphasis Ltd. As a reminder all participants lines would be in listen only mode and there will be an opportunity for you to ask questions after the presentation conclude. Should you need assistance during the conference call please signal the operator by pressing \* and then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand conference over to Mr. Shiv Muttoo from CDR India. Thank you and over to you sir...

Shiv Muttoo:

Thanks. Good Morning Everyone and thank you for joining us on Mphasis Q3 FY 17 results Conference Call. We have with us today Mr. Nitin Rakesh – the CEO, Mr. V. Suryanarayanan – the CFO. Let me take this opportunity to introduce Mr. Nitin Rakesh. Mr. Nitin Rakesh joined Mphasis as CEO and Additional Director with effect from 29<sup>th</sup> January, 2017.

We also have with us Mr. Ganesh Ayyar – previous CEO of Mphasis with us on call.

Before we begin, I would like to state that some of the statements in today's discussion will be forward-looking in nature and may involve certain risks and uncertainties. A detail statement in this regard is available in Q3 FY 17 Results Announcement Release that has been sent to you earlier. This Conference Call will be archived and transcript would be made available on Mphasis Corporate website <a href="https://www.mphasis.com">www.mphasis.com</a>.

I now invite Mr. Rakesh to begin the proceedings of the call.

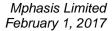
Nitin Rakesh:

Good Morning Everyone and thanks for joining the call. I would like to thank the Mphasis Board for giving me this opportunity to lead the organization. I am very happy to continue the journey of transformation and customer value by leveraging the platform which Ganesh and his team has built over the last eight years. I hope all of you had an opportunity to go through our MDNA which provide details of our operations and financial performance for the quarter ended 31st December 2016.

Let me start with the Direct international business. Deal win momentum in Direct international continues to be robust recording TCV of \$96 million in the quarter of which 51% of the deals were in the focus areas of Digital, NextGen services and GRC. This win takes our total deal wins up to Q3 FY 17 to \$275 million of TCV. Q3 is a seasonally weak quarter for the industry with annual client shut-downs. Our Direct Core business which is 75% of Direct International revenue grew 1.2% quarter-on-quarter on reported basis and 0.7% adjusting for rupee depreciation.

Digital Risk performance got impacted by the macroeconomic headwinds in the US. The revenue declined 6.1% quarter-on-quarter on a reported basis though in line with our expectation. We are happy to share that HP business continues to stabilize and witness a moderate growth of 1.8% quarter-on-quarter on a reported basis and 1.3% net of rupee depreciation.

Let me now share some details of our Financial and Operational performance for the quarters.





Our consolidated revenue grew 1.2% QoQ on reported basis and 0.6% net of rupee depreciation. Despite an adverse impact of 160 bps points on account of salary increments, operating margins declined only 60 bps QoQ to 14.7%. We have been able to offset majority of the impact through operational efficiencies. The operating margins increased 140 bps points YoY. We reiterate our confidence of operating in the band 14 to 16% for the remainder of the year. Net profit for Q3 FY 17 decreased 3% QoQ and increased 21.2% YoY. While the net margins declined 100 bps QoQ to 13.3% in Q3 FY17, the margins expanded to 220 bps YoY. We continue to drive improvement in our working capital cycle with DSO seeing another robust improvement of 6 days this quarter to 60 days, leading to strong operating cash generation of INR 2,601 million taking the total cash on our balance sheet to over \$470 million.

I am happy to note that Board has approved buy back of shares up to INR 1,103 crores at a maximum price of INR 635 per share. This is subject to shareholders and regulatory approvals. To conclude, we are pleased with the performance this quarter especially with the strong TCV wins. We will continue to build our leads and position the company for great acceleration.

On that note I once again thank you for the interest and I would now request the moderator to open up for questions.

**Moderator:** 

Thank you very much. We will now begin with the question and answer session. The first question is from the line of Mr. Nitin Padmanabhan from Investec. Please go ahead.

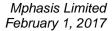
Nitin Padmanabhan:

I wanted your initial thoughts on how you plan to accelerate growth in the Direct Core business. Now we have consistently seen deal win improvement but from the growth perspective it is really not accelerating. So just wanted your initial thoughts on how you plan to grow that part of the business and if you have any thoughts on any changes you would make strategically overall?

Nitin Rakesh:

Thanks. I think it is too early to talk about any changes. I joined just three days back and am trying to understand how we are operating and how we are structured. But I think if you look at the TCV wins and proportion compare it to both sequential and annual growth, clearly, we are doing few things very well within the Direct Core business and I think the focus there for us will really will be acceleration on three counts. Firstly, within those clients that are part of the Direct Core business, can we continue to find higher wallet share. And that's a combination of two things, one, strengthening the core services and two expanding the pipeline for NewGen services. I think again we looked at a few levers there that we will continue to expand. And second is new clients wins that essentially are not part of our client list today.

Given our super specialization, I am fairly enthused by what we have been able to achieve over the recent few quarters. I think if we continue that targeted approach of going after new logo wins, we should be able to expand a little more of our wallet share in that. And thirdly, while it is early to say how that will pan out, clearly geographic expansion and accelerating further in





areas like Europe where we already have a foundation I think will become an interesting angle as well.

Outside of that, now we do have a program in place over the recent few weeks that we are trying to mine with our BlackStone portfolio companies. I think that should probably also start yielding some results and potentially in the second half of FY 18. So I think those are the 3 or 4 levers we will push up.

**Moderator:** Thank you. The next question is from the line of Apurva Prasad from the HDFC Securities.

Please go ahead.

Apurva Prasad: Firstly, just wanted to know what's the outlook for Digital Risk considering the kind of decline

that we have had, what is really happening there and especially on the annuity part on Digital

Risk?

Nitin Rakesh: I will probably request Ganesh to talk a little more about it, and then I will add couple of

comments later.

**Ganesh Ayyar:** Apurva, this is Ganesh, Good morning. On Digital Risk if we look at Q3 and what we have done,

due to interest rate increase, we are seeing greater downward pressure in number of mortgage transactions that take place and in refinance market as well there is a downward pressure.

However, the good news is, the base which used to be \$22 million is now closer to \$28 million for the quarter. Obviously when you go down to \$28 million it causes profits to erode a little bit.

At this point of time in Q3 our run rate is kind of north of \$30 million and we expect in the short

term some downward pressure in revenue. However, the good news is we have couple of large

deals in the pipeline which are in good shape and once we realize that, the downward pressure would be lifted. But that may take a quarter or two before you will see the impact of it. I believe

that helps.

**Apurva Prasad:** Also if you could help me if you can split the TCV within Direct Core and Digital Risk, either

this quarter or nine month that will be helpful?

V. Suryanarayanan: Yes. This is Surya here. If you look at the spilt of the TCV base, it's predominantly in Direct

Core and TCV of about 10 million is in the Digital Risk and product portfolio.

Moderator: Thank you. The next question is from the line of Madhu Babu from Prabhudas Lilladher. Please

go ahead.

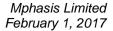
Madhu Babu: Sir regarding mining the Blackstone portfolio companies, how has been the approach so far. I

mean do we have dedicated sales team for that? And at what stage we are in that?

Nitin Rakesh: Sure. I think again based on what I understand, this program is put in place in calendar quarter

fourth quarter of last year about 2 to 3 month ago. Yes we have a dedicated team in place. I think

the opportunity exists in the following two areas. Firstly, we have to look at the right size





companies. Clearly. We have certain philosophical and guideline approach towards the clients we want to do the business with. And secondly, we also have to ensure that, while we have the calling card through the portfolio companies, in the end, they are all in the independent operating entities. So continue to find the opportunity top down but at the same time also enabling through a sales team to actually go and create that pipeline. So it's a process that started recently and we are running it as a program. We would probably end up expanding that program as we start seeing some more pipeline in it.

There are certain C level forums that we are also participating at the Blackstone group level. So my expectation is that in FY 18, especially the second half should probably yield some results. Because any which way it takes two to three quarters to generate some more of order pipeline.

Madhu Babu:

And second sir in your tenure in Syntel, Syntel has also been strong in BFSI and same is the case of Mphasis, so, would you look to add more verticals? Because in the other verticals Mphasis is more selling around the Horizontals, what are the verticals which you would like to add?

Nitin Rakesh:

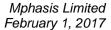
I think it is too early to say if or when we will add verticals but if I really look at even our existing footprint that we have, within BFSI, there are sub segments that we are very strong and there are sub segments that we can actually expand our share of pie. Especially if you look at capital markets, there are multiple sub domains that are near neighbors of what we do. Similarly, if you look at insurance, while we have a strong reference customer base in PNC insurance, there is a lot we can do in commercial and retirements as well. Right now my immediate focus is to understand how do we strengthen our position in the verticals and sub verticals as we are in and also immediately look at what we can do in near neighbor domains. Because within Insurance, you can make a case that there is Health insurance as well, but you know that requires a very different domain expertise. So right now the intention is to expand and consolidate our position where we are and then look at immediately near neighbor domains that we can get into.

Madhu Babu:

Sir, lastly on margins. I think this quarter there was a margin beat but I think headcount reduction has been happening from past few quarters. So now assuming that next year we will be on the growth path, so should we step up hiring from here on?

Ganesh Ayyar:

This is Ganesh. Future part of the question, I will let Nitin answer but I will give you a perspective. Headcount based projection or headcount based co-relation between company's future and where the company stands is probably a thing of the past, because increasingly every company including Mphasis will double down around automation., We have already made investment in having deep expertise in automation because that would be the path to success. So my only request to you is don't read the headcount the way it has been read in the last five years because we have to look at headcounts differently. It is not because we are shrinking, we have had headcount reduction, headcount reduction and revenues growing, if you see both those trends together it's good news rather than the bad news. At least that's my perspective.





Nitin Rakesh:

Absolutely as in going forward the focus really will be how do we continue to drive fixed price and managed services work and how do we then leverage certain element of non-linearity. It is too early to say how we will plan around it but that's typically I would say the way the industry will move and even the way clients will expect us to engage with them.

**Moderator:** 

Thank you. The next question is from the line of Sandeep Shah from CIMB. Please go ahead.

Sandeep Shah:

The first question is I think it's one of the few December quarter that where we have seen the HP channel revenues has increased on quarter-on-quarter basis. So what has led to this and can one say that this gradual recovery or the growth momentum may actually continue on further and we may start to see some improvement going forward. So what is leading to this kind of performance in HP Channel?

Ganesh Ayyar:

It has to do with changes on both sides, at the customer side and as well as from our side, and partially on account of the new agreement which we have in place which have minimum revenue commitment. But the co-relation between that agreement and what we are seeing in the account is lower. What is happening is their aspirations and our quality of service and our focus, is what is bearing fruits. And the stability is here, which is what we were predicting, I mean two quarters ago, and I wouldn't get euphoric around growth prospects of HP business at this point of time. But certainly, one can be confident about the stability part of it.

Sandeep Shah:

Okay. So we do not foresee any kind of a decline going forward?

Ganesh Ayyar:

Nothing that is visible. And things are in general you know fairly good, which means decline is probably behind us.

Sandeep Shah:

Okay. Nitin I agree that it's early too ask but is there any roadmap where you will make some changes in terms of sales and marketing organizations or delivery organization going forward to accelerate the growth rates. What's the road map? If you can give a 360-degree view if not a very detail view?

Nitin Rakesh:

Here unfortunately I don't have a 360 view yet because I want to spend some time with the frontend team starting next week. So I need a little more perspective. I have a perspective that is outside in and I think once I have a chance to get a little bit deeper, I will probably be better placed to answer this question. But overall at the higher level, my initial impressions are fairly positive. We have significant investments already made over the last few quarters in sales and client facing teams. The question really is how do we align that in a way that can generate both pipeline and deal wins both from Direct Core customer base as well as hunting channel. If we can then compliment that with strong third party advisor activity and generate some pipeline from there. I think that probably may be the area to make some additional, I won't say changes but I would say additional complimentary investments.



Sandeep Shah:

Okay. Just on the buyback it looks like the quantum would be close to 80-90% on the full year of the annualized PAT if you look at for the first nine months. So in that scenario is it over and above the usual dividend payout of 50% which we follow. Or would this be one of the way of distributing cash going forward? If you can give us some color in terms of what is the stated policy in terms of cash distribution going forward as the percentage to the PAT?

V. Suryanarayanan:

This buyback has no correlation with the dividend payout which will be a separate decision taken by the Board at appropriate time. This is one of the methods of cash distribution to our shareholders and that's the decision which has been taken by the board.

Sandeep Shah:

Okay. So Surya that means that we may continue with the trend of annual Dividend at the end of the year and that dividend distribution payout ratio may continue to remain close to 51%?

V. Suryanarayanan:

There is nothing which is discussed differently than what was adopted by the company earlier. However, the board will take decision as mentioned once the year is over.

Moderator:

Thank you, the next question is from the line of Abhishek Bhandari from Macquarie Securities. Please go ahead.

Abhishek Bhandari:

Thank you and good morning and wish you a very Happy 2017. I just wanted to know you know out of the 3677 odd people onsite would be US based and what would be the local proportion out there?

Nitin Rakesh:

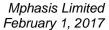
I don't think we make that data public for number of reasons. But it's a question obviously coming from concern around Visa issues. I think it is fair to say that we obviously have put our arms around it and operationally we should be able to manage any issues in the short-to-medium term and in the longer run, we also feel good about the fact that we can augment our supply chain and channels. I don't think we make this data public or we break it out separately.

Abhishek Bhandari:

Sure. And Nitin what your sense on the timeline of this regulation if it all come through? Because there is significant amount of confusion whether it would be passed with the Congress or they could be an executive order?

Nitin Rakesh:

I would just say, let us stay close to Mr. Trump tweets and you will figure it out. Very hard to put a timeline or even understand the scope right now because there are so many moving parts. What is the scope, is it on the go-forward basis, or is it on a retrospective basis, is it 100,000, what the right number is? I think we are also trying to keep up with the series of news that comes out. It is suffice to say that in our position what's more important is to plan for any continuity issues for our clients and our business doesn't get disrupted and that is kind of priority number one right now. And while obviously, any regression will take time to go through the Congress, we are using that time also to plan our medium-to long-term plans, both around availability of talent, skills, pipeline as well as how we can make sure we are able to fulfil our demand, in every geography not just in US.





**Moderator:** 

Thank you. The next question is from the line of Gaurav Rateria from Morgan Stanley. Please go ahead.

Gaurav Rateria:

One question around US Regulation on Visas – have you seen any change or shift in the client behavior because of these regulations, different kind of bills getting introduced? And what's your sense on the overall macro because of the interest rates going up in the US? Is it positive for the banks and financial institutions from the tax spending point of view?

Nitin Rakesh:

I think the first question on client response and feedback. It is fair to say that almost every client including our clients are probably in the same boat as we are, which is they are just trying to keep up with slew of news coming out. It's too early to have had any conversations or any feedback but clearly as I said our focus is continuity of the business in the short run and we work with some clients to ensure that 1) they feel comfortable and 2) any other plans in place as we need especially for current and next quarter. On the macro environment, generally since the new administration, I think the banks have obviously being on fairly good bounce at least in the stock markets and the feeling was really around the ease of regulation and secondly around if there are any cuts or stimulus that will also help financial services sector. So the environment looks like there is a little bit of an ease and there may be a little tailwind. But I think we have to work with our plans and see how the budgets have shaped up which is typically Q1 calendar year activity.

Interest rates actually do have an impact on most banks because obviously it has an impact on their earnings. Also, it has an impact on the insurance companies. So there again may be a little bit of tailwind. But again there are parts of our business like Digital Risk where there is the counter impact as well so we have to just see on balance and how that plays up and whether the discretionary spending comes back a little bit more but may be too early to say based on the budget cycles.

Gaurav Rateria:

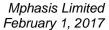
Sure just a follow up, any sense on budgets for 2017 for large clients? And second question on HP Channel, have you seen any shift coming from the captive operations of the HP in India to Mphasis and is that the reason which possibly is leading to a growth in HP channel?

Nitin Rakesh:

I will take the budget question and then I will request Ganesh to talk about the HP Channel. On the budget side so far it looks like stable. I don't think we can call for anything outside of stability on the budgets, so clearly there is not significant pressure. But as I said, the discretionary budget is really where it will show up and that probably will take few more weeks for us to get a sense of.

Ganesh Ayyar:

On HP, our business is not dictated by HP captive behavior, our business is dictated by the demand factor and success of HP and obviously as you are aware HP's ES and CSC are in midst of creating a new entity which I think will go live by April. We have very little interaction with HP captive here. Our interaction is with the field force, with the business units, with the regional teams and account teams which are more customer facing. So as I mentioned earlier HP business is looking stable and decline it look like it's a thing of past at this stage.





Moderator: Thank you. The next question is from the line of Varshit Shah from Centrum Broking. Please

go ahead.

Varshit Shah: My question is a follow up of a previous question on HP, so if I were just to look at the growth

of last two quarters just throw some color on how the growth is shaping up from the HP? Is it we are mining more deals out there or getting wallet share or is it that HP themselves are doing

better some color on that would help? Thanks.

Ganesh Ayyar: It's Combination of both mining some existing wallet share and some new wins. There are

certain verticals where we have developed very, very positive relationship with HPES where we are winning which are new deals and one of things which I am refraining from discussing is the end clients because that is for HPES to disclose rather than for me to disclose because we have confidentiality with HP. So I will let them comment on the end clients. But in general it's

combination of both – mining existing business as well as winning new deal.

Varshit Shah: And just one more if you could squeeze in, probably Nitin and Ganesh both if you could add, so

in terms of the potential of the Blackstone portfolio, can you just give us some sense may be

some ballpark range or anything, is it possible?

Nitin Rakesh: I think I talked about it briefly. We see the addressable market size or the spend of the Blackstone

portfolio companies. If you look at the 100-odd investments they have in various businesses about (+80) billion in revenues and the addressable services spend is about \$1 billion. But the

right way to look at it is how many of them fall within our service offering landscape and our

sweet spot and then how much of that can we generate and that can we expect to execute

something during FY 18. But the message to team really is we have a calling card, we have a door open but in the end, we have to go and make those sales. So that's the process we are in

right now. We are running it as a program and we continue to sharpen the focus on that.

**Moderator:** Thank you. The next question is from the line of Ashish Chopra from Motilal Oswal Securities.

Please go ahead.

**Ashish Chopra:** Firstly just wanted to understand in the Direct Core business I think we started off the year on a

fairly healthy note with growth almost in high-teens year-on-year and that kind of tapered off a bit but on the other side the deal wins doesn't seem to be any let off in that. So just going by the combination of the two, should we expect some acceleration around the corner at least as far as

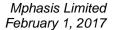
the Direct Core is concerned or would you think otherwise given the kind of ramp up schedule,

etc.?

Nitin Rakesh: I think it's fair to say that we expect Direct Core to be at industry-leading growth rates.

Obviously, each quarter will have its own dynamics that may vary quarter-on-quarter. But as you rightly said the important metric is deal wins. If you look at full year obviously there is a quarter left, we do expect growth to pick up a little bit in the current quarter. And as I earlier

said we will have to find additional ways including hunting, third-party channels and may be





potentially Europe to accelerate that growth during FY18. But we will talk more about it in the next call.

**Ashish Chopra:** 

And just lastly on the margins from my side – so considering the outlook on the Digital Risk the macro development in the US, do you expect that to have some kind of bearing on profitability given that Digital Risk is largely a platform-based offering?

V. Suryanarayanan:

I think as we have indicated we will be within the margin band for the year FY17 i.e. 14% to 16% and in spite of the Digital Risk headwinds, we are confident that we will be within those bands.

**Ashish Chopra:** 

Sure, where I was coming from was also you are at the higher end of the band so there is a lot of comfort in terms of you being there, so just what I was wanted to understand was whether a Digital Risk potentially weighs negatively or do you have levers to mitigate and maintain the overall company margins in spite of pressure over there?

V. Suryanarayanan:

So in the short-term there could be some slight dip but overall, we are confident to be within the band.

**Moderator:** 

Thank you. The next question is from the line of Sandeep Shah from CIMB. Please go ahead.

Sandeep Shah:

Is it fair to say that going forward Mphasis may also look for verticals outside the BFSI as a whole?

Nitin Rakesh:

It is too early to talk about that. As I said, right now the focus really is to consolidate our position and find higher wallet share and growth from the verticals we are in. Again I don't look at BFSI as a one vertical. I can make a case for five or six verticals within that and our immediate focus really is to expand into maybe other parts of BFSI itself. Having said that obviously, we have other business in our portfolio that give us some entry into areas like Health Insurance now and whether we expand Direct Core into that or not is the question that I don't have an answer to it right now.

Sandeep Shah:

Okay and Surya just a bookkeeping question on the headcount we include a billable contractor so if you can throw some approximate quantification of how much percentage does the contractors out of the total 22,000 odd employees which we have?

V. Suryanarayanan:

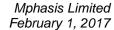
So as such that number varies month-on-month if not quarter-on-quarter and it depends upon demand and supply at that point of time. It is just to ensure that we meet the customer requirements.

Sandeep Shah:

But will it be a very high number?

Nitin Rakesh:

It is insignificant number in the overall scheme of things.





**Sandeep Shah:** Okay and largely this would be deployed for the onsite locations?

**Nitin Rakesh:** Typically yes. Again this is to meet short-term supply demand mismatch.

**Moderator:** Thank you the next question is from the line of Rahul Jain from Systematix Shares. Please go

ahead.

**Rahul Jain**: Hi Ganesh, want to thank you for the years of leadership that you have given to the company

and best wishes for your future endeavors. Congratulations to Nitin as well. My question is just the view on the comment that you made earlier about the expansion in geographies is bit contrary to very few geo-focus probably some five-six markets that Mphasis was having a few quarters ago, so why this change in thought and also how it would also affect our S&M that it has been

increasing already?

Nitin Rakesh: So maybe I can take this and then Ganesh can complement the answer. I don't think it is a

especially both within HP and in Direct Core that requires us to actually have presence in all the markets that they are present in. That infrastructure already exists in UK as well as in certain segments of Europe. The intention is to consolidate on that position because we have reference customers there, we have feet on the street, we already have people on the ground and clearly the opportunity for us to use that referenceability and expand our wallet share within those

significant shift because if you look at it right, we have a fairly large proportion of clients

markets is immediate from our perspective. I don't think when we say expanding Geos we are talking about adding geographies, we are talking about consolidating our positions in UK and

parts of Europe.

Ganesh Ayyar: You have heard it from Nitin. Any decision that Nitin and the Board and team makes would be

a considered decision because they will look at it at a vector of attractiveness and ability to execute and he is taking his time. He was answering these are the options ahead and we have never precluded looking at those options and he is going to look at it obviously because it is also that time of the year and he being new CEO bringing new perspective from outside. The advantage would be lost if he does not allow his new perspective to look at Mphasis because then what's the point in having him come from outside. So don't conclude that it is going to be either dilutive or it is going to cause havoc. It is basically to see how Mphasis can accelerate

growth and be more successful, that's the objective.

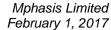
Rahul Jain: Right and the S&M direction that if you could give in terms of percentage of sales or absolute

whatever are your thoughts?

Nitin Rakesh: For the current quarter or current financial year I don't think you should think about any change

and for FY 18, when we finalize our plans and our budgets we will give you an update on the

next quarter call.





Rahul Jain: Okay and just a small view if you could give, you would have seen this company as a competitor

or as a peer probably, so what's some plus or minus you always thought about this company?

Nitin Rakesh: I think the way to look at it is probably I have seen more pluses and that is why I am here. I think

clearly I talked about it my press release as well as the few interactions. The unique positioning of obviously having a strong relation with HP and super-specializations in some verticals within BFSI, the marquee customer base, strong delivery excellence, customer centric culture these are some of the things that stands out. And k those are the foundations that we have to build on as

we look for acceleration in growth.

**Moderator:** Thank you, ladies and gentlemen that was the last question and now hand the conference over

to Mr. Nitin Rakesh for closing comments.

Nitin Rakesh: I just want to thank the Board for giving me this opportunity. This was my first call so thank you

all for your support and understanding even if I don't have all the answers yet but I look forward

to our continued relationship and look forward speaking to you in the next quarter call.

Ganesh Ayyar: Just wanted to thank everybody. What a nice journey I have had with all of you for the last eight

years. I am thrilled that I am giving the reigns in very capable hands. Continue the support because I am sure that Mphasis will be the company to watch. Good luck everyone and have a

great time with your family and let's make 2017 prosperous and happy year for all of us. Thank

you so much.

**Moderator:** Thank you. On behalf of Mphasis Limited, that concludes this conference call. Thank you for

joining us and you may now disconnect your lines.