



“Mastek Limited Q4 FY17 and Full Year Earnings  
Conference Call”

**April 20, 2017**



**MANAGEMENT: MR. SUDHAKAR RAM – VICE CHAIRMAN AND  
MANAGING DIRECTOR, MASTEK LIMITED  
MR. JOHN OWEN – GROUP CEO, MASTEK LIMITED  
MR. ABHISHEK SINGH – GROUP CFO, MASTEK  
LIMITED**

**MODERATOR: MR. DIWAKAR PINGLE - CHRISTENSEN IR**



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**Moderator:** Ladies and Gentlemen, good day and welcome to Mastek Limited Q4 FY17 and Full Year Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '\*' followed by '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakar Pingle from Christensen. Thank you and over to you, Sir.

**Diwakar Pingle:** Thanks Ali. Good afternoon to all of you. Thanks for joining the Q4 and full year FY17 results ended 31<sup>st</sup> March 2017 of Mastek Limited. The results and presentations have been mailed to you and you can also view that on the website at [www.mastek.com](http://www.mastek.com).

To take us through the results today and to answer your questions, we have the top management of Mastek, represented by Mr. Sudhakar Ram – Vice Chairman and Managing Director; Mr. John Owen – Group CEO, and Mr. Abhishek Singh – the Group CFO. Sudhakar will start with the brief overview of the quarter and the full year gone past, which will be followed by Abhishek who will kind of dwell into the financials and then John will focus a little bit on the business and the outlook going ahead. We will then follow this with Q&A session.

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

With that said, I would now like to hand over the call to Mr. Sudhakar Ram. Over to you, Sudhakar.

**Sudhakar Ram:** Thanks Diwakar and good afternoon to all of you. As you know, we started this year with the overhang of set of troubled programs that we were trying to get past and we had poor profitability in the last year, but I am pretty happy with the way things have panned out through the year. We have seen our own revenues and order book grow quarter-on-quarter, so that was a good sign. We put the troubled programs behind us, the profitability improved, the revenue momentum improved. We brought in John Owen as our Group CEO to strengthen our own execution capability especially from a sales and marketing perspective and over the last five months, we have seen that bearing fruit. There is a tighter execution discipline and the sales performances started improving, our pipeline is better.

We wanted to expand in the US. We had started Digility, but we have always said that we wanted to do a reasonably-sized acquisition in the US, so as to start with the larger base that starting from the scratch in the US is difficult, so we did manage to complete that acquisition in December which was the acquisition of TAIS Tech, which is company focused on digital commerce. We wanted to establish synergy between IndigoBlue, which is leading Agile program management consulting firm and our own Agile digital development and delivery that Mastek specializes in and this year I think we have had some good wins especially in the government based on putting forth a



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combined value proposition bringing the strength of IndigoBlue to our own sales as well as delivery effort. On most front, this year has been pretty solid and in line with our own expectations. A lot of effort has gone from the teams in terms of pulling of what were the individual strategic initiatives and we have seen all of them bear results. As we close the year, we are in a much better position than we were at the beginning of the year both from a capability, from a performance and from a potential perspective. With that, let me hand it over to Abhishek, our CFO to take you through the numbers.

**Abhishek Singh:**

Thank you Sudhakar. Hi everyone on the call. Prior to the call, a performance deck was circulated. I will be going through that deck over the next couple of minutes. As we turn on, we go to slide 4 of the deck which outlines the Q4 FY17 performance. Our total income for the quarter stood at Rs 182.2 crore versus Rs 128.0 crore for the last quarter which is a growth of 42.4% on quarter-on-quarter basis. Our operating income stood at Rs 180.4 crore as against Rs 126.1 crore for the last quarter which is a growth of 43.0% quarter-on-quarter in rupee terms. Our constant currency revenue growth of 42.3% quarter-on-quarter also includes our organic business which grew at 5.7% on quarter-on-quarter basis. The revenue growth that we have reported this quarter vis-à-vis last quarter is a combination of both inorganic as well as organic growth that we have experienced. In terms of profit matrix, our EBITDA before exceptional items stood at Rs 22.6 crore, up 46.3% quarter-on-quarter. EBITDA margin expanded by 30 basis points to 12.4%. Net profits stood at Rs 14.5 crore versus Rs 11.2 crore for the last quarter, up 28.7%. Net profit margin is at 7.9% as against 8.8% for the last quarter. The dip is on account of the exceptional item, the provision for which we had to make this quarter. Cash and cash equivalents stood at Rs 149.3 crore as against Rs 146.5 crore for the last quarter. The 12-month order backlog was at Rs 333.2 crore or 41.2 million pounds. This includes order backlog of our US acquisition – TAISTech as of March 31<sup>st</sup> and the comparative number for the last quarter was Rs 227.1 crore or 27.2 million pounds, reflecting 47.0% increase in rupee terms and a 52.0% increase in constant currency terms.

If we move onto the next slide which outlines the performance highlights of FY2017, our total income reported was Rs 572.2 crore versus Rs 544.3 crore for last year, up 5.1% year-on-year basis. This increase is despite an 11.2% dip in currency year-on-year and that is what our P&L had to experience. Operating income stood at Rs 562.5 crore versus Rs 526.9 crore, an increase of 6.7% in rupee terms on a year-on-year basis. On constant currency terms, we reported a revenue growth of 17.4% on year-on-year basis. Our EBITDA before exceptional items stood at Rs 62.6 crore versus Rs 35.6 crore, which is up 76% on year-on-year basis. EBITDA margins were at 10.9% in FY17 as against 6.5% for the last financial year. Net profit stood at Rs 36.9 crore versus Rs 13.7 crore for last year which is an increase of 168.6% on year-on-year basis. The net profit margins stood at 6.5% for FY17 as against 2.5% for the FY16.

As we move to the next slide, it outlines some of our operating matrix for the Q4 FY17 gone by. We added 13 new logos across our businesses. Our total active client for last 12-month stands at 159. Our top 5 clients contribute 38.2% of our total revenues and top 10 constitutes 53.1% of the total revenue. Our total employee count stands at 1,577 employees - split as offshore 1,045 and



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onsite 532. This includes US and UK headcounts as of March 31<sup>st</sup>. As a result of this financial performance, our Board of Directors have recommended a final dividend of 50% which makes the total dividend payout for the year at 70% if accepted. Our DSO stood at 57 days as of March 31<sup>st</sup> as against 58 days for the last quarter. Our total FOREX hedge includes GBP 15.4 million at an average rate of 98.1 rupee per pound.

The next slide is a tabular representation of the same numbers, and as you can see the growth that we have reported in this quarter is a combination of the inorganic revenues coming from TAISTech as well as the organic growth that we experienced in our UK business. As we move along, we have shared with you, recognition that our US subsidiary, Digility, received in the US market for the financial services space. It was counted amongst the top 20 most promising financial services technology solution providers in the CIO magazine; it is a good thing for a new company to be recognized in the market and the reason why we shared it here.

We move along to the next slide which shows some of the revenue analysis by various parameters. Revenue by region this time has been impacted by our US acquisition's full quarter revenue reflecting in, so 67.5% of our revenues are coming from UK, 28.7% is coming from US, and others which include India is around 3.8% and you can see that there is a significant movement between the two quarters as UK revenues went down and the US revenues came up. Revenue by industry again also sees a significant movement as government revenue comes down to 35.9%, Retail revenue goes up to 39.3%, which is again driven by the TAISTech business, which is predominantly in Retail space, 16% is other financial services and 8.7% is IT and other services for the quarter. Revenue by offering also sees a swing, 83% of the revenues reported are in development space, 9% is in maintenance and 8% is the consulting revenue. If we split our revenue by type, 85.4% of our revenues are on time and material basis and 14.6% is on fixed-price basis. That ends the summary of financial performance for the quarter as well as for the year gone by.

Now, I hand it over to John Owen, our Group CEO, to give his feel for the year gone by and the year to come.

**John Owen:**

Thank you Abhishek. I think the bedrock of our performance which is improving quarter-on-quarter and on year-on-year has been our very loyal customers and I think adding 13 is testament to our improvement in sales execution and having a trailing base of 159 is cause for optimism that we can start to grow that base and reflect it in our revenue and earnings. We will be spending more time focused on strategic accounts, so our revenue split from those top 10 will increase as will the absolute number of revenue increase and that should draw it to better quality of earnings. I think the reason that is because our people are regarded by the customer as fantastic, they are dedicated, they are professional, and that actually reflects in the spirit of Mastek, but I think from a market perspective what is interesting is Agile is starting to become mainstream particularly if technology needs to sort of impact real time, so not only do we have Agile methodologies with IndigoBlue, but we also have an Agile culture with Mastek 4.0, so I think we have some competitive advantages that we need to leverage over the next 12-18 months as the market matures.



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I have been with the customers over the last six months and the key for them is they want to invest in this relationship. They see our extending our capability and our capacity, but they do recognize our engineering excellence, our delivery excellence and track record, the fact that the strategy over the last year has made us more competitive and as I said before, it is the culture of Mastek that makes those relationships strong and stand the test of time. As Sudhakar said, the outlook is improving, the pipeline is more robust. TAISTech will have an interesting Q1-Q2 as the Retail market peaks. Our strategic accounts are starting to invest in the relationship with Mastek and we are starting to see growth plans with them and we are starting to increase our operational footprint through recruiting more engineers, so overall the strategy that the board adopted some two years ago when they divested Majesco, they made acquisition in IndigoBlue, we strengthened that acquisition with TAISTech, we focused on cost management particularly this time last year to get it more competitive on a global basis and we strengthened the management team, so overall this has been a journey that has taken two years, but we are really only in the foothills of where we want to take this organization, but it will be focused around Agility and it will be focused about being a leader in digital transformation. With that, I will hand back for Q&A session.

**Moderator:** Thank you very much. Ladies and Gentlemen, we will now begin the question and answer session. We will take the first question from the line of Baidik Sarkar from Unifi Capital. Please go ahead.

**Baidik Sarkar:** Gentlemen, good evening, congrats for good set of numbers. Abhishek, first question for you, could you give us a little sense of how TAISTech has performed financially over the last few years, basically some color on the revenue trajectory, revenue growth, what kind of margin profile they operate at, and I am sorry if this is a repetition from the previous call of broad contours of the consideration of acquisition?

**Abhishek Singh:** Hi, Baidik good to have you back on the call. TAISTech, we do not talk about the performance by each of our unit, but having said that, the broad contours what was shared in earlier calls still remains that it is an EBITDA accretive business that we have acquired. It is definitely in teens and the closing revenue that they had was around \$30 million as of last year, and it continues to grow as we speak, so the contours of that remains the same and we expect it to expedite in coming times.

**Baidik Sarkar:** In terms of consideration, this would be a share swap or what is the broad contour again?

**Abhishek Singh:** We had it based on cash and EBITDA and revenue earn out to be precise, so we incurred \$12.25 million in US and \$1.75 million in India to acquire the entities, the initial payout and the remaining part of the consideration is based on their revenue and EBITDA performance over next three years, so we have not done any share swap.

**Baidik Sarkar:** Second, John question for you, given that you have spent more than two quarters in the system as things stand today, could you give us a sense of how the Agility in the digital transformation market that you served, what would the demand potential for that in absolute as well as in percentage terms is, what kind of demand growth you are seeing in this two areas and importantly what does

Mastek have to do internally to participate in both the absolute quantum of growth and the pace of growth?

**John Owen:**

Okay, great question. If I look at digital as a market space, the projects are coming real time because lots of our existing clients are being hit with competitive pressures, disruptive competitors coming in, so I think the projects are coming, the acceleration of project is faster, being able to quantify is fairly hard because it is still quite an emerging market and I think a lot of people still quantify Legacy business as digital for marketing purposes. To answer your question about what does Mastek have to do to be competitive in that space and addressing it, I think we have got two of the key ingredients, one is we have got a robust methodology in Agile, we have got that with IndigoBlue and the second one is we have got an Agile culture in Mastek 4.0, so I think we have got all the attributes in-house to deliver. What we have got to build is more capacity that will be aligned to our revenue growth of our customer acquisition plan.

**Baidik Sarkar:**

That is helpful, last question before I get back, the organic growth that you have experienced this quarter is that a sign of things to come or is that a one-off?

**Abhishek Singh:**

Baidik, if you have observed us last four quarters, we have shown northward trajectory though we will refrain from quantifying it, but it is in line with the same northward trajectory that we have represented.

**Moderator:**

Thank you. The next question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

**Mohit Jain:**

One is on your tax rate, it seems too low for the quarter, is there anything to read into this and what could be this for next year?

**Abhishek Singh:**

Hi, Mohit. The tax rate has been impacted by the R&D credit that came in one of the geography and to that extent you see a lower number. The normalized tax rate or the effective tax rate will continue to be based on the last quarter guidance, in the mid-20s.

**Mohit Jain:**

Mid-20s will be the full year tax rate for FY18?

**Abhishek Singh:**

That is right.

**Mohit Jain:**

Second was related to your cash generation, if you could just help me understand this Rs 20 crore EBITDA that we have generated this particular quarter, how was it utilized during the quarter?

**Abhishek Singh:**

This quarter had an element of advance tax also some capital spent, but from an EBITDA to cash, the conversion has been pretty good and stable, so we do not expect any deviation.

**Mohit Jain:**

Have we re-paid some of the loans also?

**Abhishek Singh:**

There is no repayment of loans right now.

- Mohit Jain:** Your cash balances have gone up by Rs 3 crore or so?
- Abhishek Singh:** That is right, but you have also had capital spend, you also had advance taxes coming in this quarter.
- Mohit Jain:** That is where most of it got utilized; there is no change in working capital cycle or anything because of TAISTech acquisition?
- Abhishek Singh:** No.
- Moderator:** Thank you very much. We will take the next question from the line of Ganesh Shetty, individual investor. Please go ahead.
- Ganesh Shetty:** Just want to have one query regarding our set of companies now as Mastek is parent company and IndigoBlue, Digility, and TAISTech, how is the integration work is going on and are we seeing lot of cross-selling opportunities with these companies, can you throw some light on this?
- John Owen:** Thank you for asking the question. Yes, if I look at Indigo Blue as the first acquisition, it is an Agile Consulting and we have integrated it operationally, but we still go-to market as IndigoBlue because they have a strong brand particularly within the UK market. We are now executing the plan to take that capability into the US market and cross-sell both into TAISTech and to the Digility market, so I would like to think we will get some market synergies from that. We have already delivered some operational synergies by brining a lot of their back office under Mastek, and TAISTech is exactly the same. We are integrating the back office, we are taking cost out of their operation and we are cross selling the capabilities that Mastek have of application development, assurance and testing, BI and analytics, service management and consulting into the TAISTech customer base, so yes, we are getting synergies from the market, we are bringing the TAISTech digital commerce into the UK market and trying to cross sell, so there is a cross sell and there is an operational effectiveness on both those integrations.
- Ganesh Shetty:** My second question is regarding Digility. Digility is our newly formed US subsidiary and how do you think that the skilled manpower there and the business which is what we are looking for although very strong in competition, how you are going to face these things in future and also do you think that protectionism measures which have been taken by US government will have an impact in our growth trajectory as we have newly formed the subsidiary and we are new to the market, can you please throw some highlight on this? Thank you very much and good luck.
- John Owen:** Thank you. We are going to get a lot of questions both about geopolitical, Brexit in the UK market and new administration in the US. I think certainly there has been a lot of press coverage about the US and about visas. I do not think it is going to hit us short term and long term I think we can mitigate, but we are dealing with an uncertainty. The reality is certainly from an UK perspective, the market does not have the capacity in the country to deliver the services that companies like Mastek deliver, so I think there will be some short-term press coverage. I do not

think it will actually materialize into business impacting when you are measuring it over the next 12-18 months, I think over the next 12 months for our business plan, we have got fairly robust plans in place to mitigate.

**Moderator:** Thank you. The next question is from V. P. Rajesh from Banyan Capital Advisors. Please go ahead.

**V. P. Rajesh:** Just wanted to understand when did the US transaction close, was it in this Q4 or was it done in the previous quarter?

**Abhishek Singh:** The transaction closed precisely on December 22<sup>nd</sup> of last year, so we had seven days' worth of impact in the last quarter.

**V. P. Rajesh:** So the March quarter is the first clean quarter with revenues from all the three acquisitions, is that clear?

**Abhishek Singh:** That is correct.

**V. P. Rajesh:** The second question is just in terms of, I know you said look at the trajectory for the previous quarters, but if you can give us some sense of what is the potential market size for the combined three entities that you have, that you are addressing now both in the US as well as in UK?

**John Owen:** If you are measuring the total addressable market for the service lines that we have got capability, competency, and existing business of digital commerce and Agile Consulting and BI and Analytics and Apps Development, you are measuring it in ten and hundreds of billions. How much of that is addressable to Mastek, I mean we have got to put in perspective, we turned over £60 million and I think there is lots of upside without actually looking at market dynamics, so my honest answer is I have not looked at it as total addressable market, but with the clients that we visit and the clients both new prospectus and clients, there is plenty of upside given the capabilities we got to grow above the industry, so I am relatively optimistic. We have got good capability attacking a good market and good customers and good people, so I am relatively confident in, it is an execution issue not a market dynamic issue.

**V. P. Rajesh:** Okay, if I were to think about the growth given that the market opportunity is quite large, would it be fair to say that we can expect sort of high-teen double digit growth or how would you handicap the growth prospects in the next two-three years?

**John Owen:** I know we do not give guidance, so I will not give you a direct answer, but what I will say is I joined Mastek to take this company in a different direction and a different trajectory and I am confident in the team we have got and we will execute when it comes down to execution.

**Moderator:** Thank you. We will take the follow up question from the line of V. P. Rajesh from Banyan Capital Advisors. Please go ahead.



- V. P. Rajesh:** Abhishek, would it be possible to get a sense of the top line for all these acquisition on a proforma basis for FY17, what would that number be?
- Abhishek Singh:** Rajesh, we can connect offline and look into it as to what we have disclosed and based on that we can guide you to it.
- Moderator:** Thank you. We will take the next question from Baidik Sarkar from Unifi Capital. Please go ahead.
- Baidik Sarkar:** John, I just wanted to understand given the way the rupee has been appreciating, what kind of pricing environment are we seeing, are we confident of maintaining the margins in the context of how the currency situation is playing out between the INR between USD and British Pound?
- Abhishek Singh:** That is a great question Baidik. Quite frankly the long-term contracts that we have locked in have got some mechanisms to address it. We have added some successes last quarter in getting that done as well and as we move forward, we obviously have to reflect this scenario in our pricing and the fact that this is a significant event in UK market in particular, we do have clients who are opening up to it because they understand where it is coming from, it is not just an indexation, but driven by a catastrophic event of a significant event, we have some traction there.
- Baidik Sarkar:** In other words, you are saying you have levers to maintain your margins, which is in mid-teens if not higher?
- Abhishek Singh:** Margins would be a function of the existing projects, the new ones that we win at a differential pricing as well as all the cost and efficiency levers that we drive in the business, so we will continue to approach it two pronged where we do not have wins with the client, we will have to deliver it with a differentiated cost structure and this initiative will run in parallel as well.
- John Owen:** It is worth sort of building on that, we will go to market with a differentiated offering if we are just dealing on a commodity service. I think it is hard for Mastek to compete on a sustainable basis, but the clients are looking for someone who will take responsibility for their outcome that can deliver enterprise-grade software in a timely fashion because in the digital world everything is real time, so I do not think it is as price sensitive as may be generic IT services has been, I think Mastek operates in a slightly different market.
- Baidik Sarkar:** Sure, thanks appreciate that. Abhishek, secondly our cash of about Rs 150 crores is all that parked in India or do we have a portion of that outside as well?
- Abhishek Singh:** Good portion of that is outside as well.
- Baidik Sarkar:** Okay, I am just curious, aren't you guys trying to play the yield game, push back something back to India?

- Abhishek Singh:** No, it is at the optimal level. Overseas entities have it at optimal level, it is not just stashed there, majority is in India.
- Baidik Sarkar:** Would a rough breakup be possible, just a very rough breakup?
- Abhishek Singh:** I will say it is more like a 75% - 25%.
- Baidik Sarkar:** 75% outside, 25% in India.
- Abhishek Singh:** No, it is other way round, 75% in India, 25% outside.
- Baidik Sarkar:** In terms of acquisition pipeline, are we still open to other acquisitions or we waiting to digest TAISTech first and then look to consolidate?
- Abhishek Singh:** It is a parallel process, we look for value. It will not be for size, but if there is something critical or interesting that comes our way, we are open. Otherwise, we continue to focus on the business that we have.
- Baidik Sarkar:** In order to completely independent, any thoughts on monetizing our stake in Majesco?
- Abhishek Singh:** I will possibly offer it to Sudhakar for his comments.
- Sudhakar Ram:** We have always maintained that it is not a long-term stake. We will divest it at the right time as the price is right, so we are obviously waiting for the value to mature so that they can divest it.
- Moderator:** Thank you. We will take the next question from the line of Shiv Chanani from Sundaram Mutual Fund. Please go ahead.
- Shiv Chanani:** I just have a couple of questions, one is on this US acquisition. I just wanted to understand, maybe I might have missed it, so apologizes for that, I think if I heard right, you said that the margins of the US entity are in the teens, whereas if we look at the Q4 numbers and even if we adjust for the small losses that we have been making earlier, I think the EBIT margins reported comes to around 8.5% to 9%, so is there any disconnect or some acquisition kind of an expenses or my understanding is wrong?
- Abhishek Singh:** You are right, you have got acquisition expenses, you have got integration related costs and there has been some events in the respective geography that had to be accommodated for which has had a bearing and that includes the visa situation cost.
- Shiv Chanani:** Okay, so going forward, we should see that number reverting back to teens?
- Abhishek Singh:** As we said, we like to maintain the trajectory, but we have refrained from giving any number out there.

**Shiv Chanani:** Second part of the question is on the balance sheet per se, I think what we are seeing is close to Rs 65 crores of borrowings which I think is probably the payout for this particular acquisition, again if I remember correctly, the overall acquisition price is somewhere around \$25-30 million, so is the rest \$15 to \$20 million to be paid out over a period of time or is there any further payments which need to be done upfront?

**Abhishek Singh:** Answer to the first part, Shiv is yes, the \$10 million we borrowed to make the acquisition is the debt that is reflected in the balance sheet, in total we paid \$14 million in consideration at the start and rest of the consideration is based on the revenue and EBITDA performance as the business unit performs, they will be eligible for it in the form of earn out over next three years, and that earn out can be sustained from the EBITDA generated by the entity.

**Shiv Chanani:** Right, so that will be like FY18/19/20 of the years we will be paying out some bit?

**Abhishek Singh:** That is right.

**Shiv Chanani:** The last question is to John, just wanted to understand from a perspective of investment in the people and the sales force, would you say you are at a desired level or do you think that bit, though I understand it is continuous process, but would you say you are at a desired level or do you think there is some bit more to be done to reach at that level?

**John Owen:** I think the good thing about digital is it is changing every day, so I think you are right with your comment, it is a continual event, so we need to continually train, upscale, and get people access to new technologies. Again, as we scale, we are going to need to build more capacity into the organization and we will do the align to the revenue growth. From a sales perspective, I think we are starting to leverage more benefit from the SG&A and we are basically fine tuning our go-to-market and we are starting to yield a few results, so we are cautiously optimistic on the sales side but it is probably too early to call. On the engineering side, we will continually invest in our people to make sure that they have got the relevant skills to be competitive in the market.

**Shiv Chanani:** Just one more question John, when you look at the sales effectiveness, I am sure you would be looking at some bit of a revenue per person or things like that, so you do not need to give me a number but let us say if you are at, have you set yourself some bit of a target saying that you are at X dollars per person at this point of time and you would like to be whatever 1.5x or 2x or whatever that number is in next two to three years?

**John Owen:** Yes, we do have operational benchmarks and we benchmark with best-in-class and at the moment, yes, we are looking at those benchmarks. I think we have made big improvements in the last two quarters, but that is a continual journey that we will continue to work on, but you are right, where the market is growing, it comes down to execution, so sales effectiveness is improving and I think it can continue to improve.

**Shiv Chanani:** Finally, has there been any change in the incentive structure?



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**John Owen:** Not at the moment, I do not think that is one of the key levers, but again we will review that in course of business.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. John Owen for closing comments.

**John Owen:** Thank you very much for joining us today. On a set of good and solid performance and I think we closed the year with a level of optimism. I think as I have said in the call, a lot of our success is going to be based on our ability to execute and I am very confident in the team I have at Mastek that we will continue to show incremental improvement, and simply the bedrock of our success is based on three pillars. One is we have very loyal customers who want to invest in this relationship and are starting to be hit by digital in real time, so I think that demand curve will continue. Secondly, we have incredibly loyal employees or Mastekiers and these guys are really disciplined and professional and they do differentiate Mastek in the market, and the third area is we have very loyal investors who want Mastek to be successful not just for the financial returns because it is a special company and I guess as custodians for Mastek, particularly Abhishek and I, understand what that means and we look forward to delivering consistent performance for our shareholders, so with that I will close and look forward to updating in Q1 FY18.

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