



Mindtree Limited

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Conference Call: Mindtree updates by S.N. Subrahmanyam, Director
Mindtree Limited

July 26, 2019

Welcome to possible

Moderator: Ladies and gentlemen, good day, and welcome to the conference call for Mindtree updates organized by Mindtree. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Amisha Munvar. Thank you, and over to you, Madam!

Amisha Munvar: Good evening, Dear all, I am Amisha, Head of Investor Relations at Mindtree and a very warm welcome for today’s call. We have Mr. S.N. Subrahmanyam, Director, Mindtree Limited; and Pradip Menon, CFO, Mindtree Limited, with us today for the call.

For today, Mr. SNS will address the analyst and investor community and provide updates and post that, we will open the floor for Q&A. Some safe harbor statement; during the call, we would make forward-looking statements. These statements are considering the environment we see as of today and obviously carry a risks in terms of uncertainty because of which the actual results could be different. We do not undertake to update those statements periodically. I also welcome Mr. Pradip to our call today. Now I hand over the call to Mr. SNS.

S.N. Subrahmanyam: Good evening, good morning, good afternoon, wherever all of you are. I think excited to be connected with all of you, and we look forward to very positive way forward for Mindtree during this year.

For us, as Larsen & Toubro, having invested in Mindtree, we think it is the very modern day start up with a unique culture, which has evolved into an institutional own right. Our full complements to the founders, promoters of Mindtree, all firsthand generation entrepreneurs, for creating within 20 years a \$1 billion revenue business, built from scratch, earning over \$100 million last year, and a reasonable return on capital of more than reasonable return on capital of 40%.

You are aware of the Mindtree’s first quarter results demonstrated here a growth of 10.3% with a fairly high TCV of \$364 million which from Mindtree was one of its largest TCV and it continued low attrition trend of 15.1%, which an industry trend. We are confident of the growth in the FY 1920. Revenue to accelerate due to a strong and healthy pipeline; some deals, which are deferred are regaining momentum from Q2 onwards and we have a fairly good idea of it, giving us a confidence of achieving the planned double digit growth.

As quoted by our Chairman, Mr. A. M. Naik, and for example, on CRISIL scaling up and the need to build digital capabilities will lead to faster growth among the midterm information technology companies in India, and we are sure Mindtree is ahead of the pack in that.

We will strive to provide and continue to invest in new technologies, services and push up the digital and content in an ever more increasing manner to take Mindtree forward. As we are aware after having gone into the Board of Mindtree, we did address a town hall and had interactions with all the leadership at Mindtree and the interactions continue on a weekly basis and otherwise basis

to restore confidence and also to get the team focused and doing everything possible to keep the services being rendered to all its clients at its very best.

Business heads have had multiple conversations with top clients, who in turn are well aligned with the growth strategy. Mindtree's positioning and the brand would continue as is. The clients in the domains are in travel, hospitality, CPG, retail and communication and high-tech. Entities of L&T operates in different areas with minimum client overlap. L&T, as has been doing for its own IT services, existing IT services company LTI and LTS, will provide further impetus towards long-term growth of Mindtree by way of board level oversight and relevant client connects.

We will also be able to harness these relationships with a benefit of Mindtree Stakeholders. Driving profitability continues to be our priority, a strong TCV pipeline leading to revenue acceleration, pricing improvement, and better control and governance and cost will be the key drivers of profitability improvement, we would stress on it. The people in Mindtree are fully aware of it and we will take it forward towards logical conclusion.

The plan is well chalked out, and we have slightly improved profitability marginally over FY2019 excluding currency and one off. The new CEO will be appointed by August 1 and will collaborate with Mindtree leadership to further strengthen the growth momentum.

L&T as an organization has always worked towards building trust to its shareholders, employees, customers, suppliers and other stakeholders, based on the principles of good corporate governance, strong financials, social consciousness and sustainable operations. All these will provide opportunities to Mindtree to grow with enhanced stability and rest assured about it.

Now I am open to questions and if any one of you have questions, I am free to answer that to reach the good feelings and our positive feelings about Mindtree.

Moderator: Thank you Sir. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Sudheer G from Ambit Capital. Please go ahead.

Sudheer G: Good evening. Thanks for the opportunity. My question is on the cost structure of Mindtree, if you benchmark with that of our other IT services subsidiary, L&T, Infotech, it appears to be at least 10% to 15% higher over the last eight quarters, especially the cost per technical employee on that metric on a like-to-like basis while the revenue per technical employee is more or less similar. So is there any action plan in terms of bringing a parity in-between these two entities on this metric especially because we are talking about some sort of profitability improvement?

S.N. Subrahmanyam: Sudheer let us keep comparing it with LTI out of it that is a company in its own stream and we can have comparisons on LTI when we discuss LTI. I think we are discussing Mindtree right now, what L&T has done is become the majority shareholder of Mindtree and we will at some point of time classify ourselves as a new promoters of Mindtree.

Having said that Mindtree has got a good leadership team, terrific people who run various verticals and deliveries and various service functions, I think, we have a set of people who are conscious about what they are doing and how they going about. Within the company there has been peer reviews and comparisons as to what they need to be and how they need to go there, what has not happened is certain amount of direction towards that for various reasons.

Now we first, what we need to do is that settle the employees as well as cool down the customers towards this new management, which in my view is a change which is augurs well for the company and we are in the process of doing that. So at the moment, we have spoken to all the senior employees. We have addressed town halls. We have spoken to many other clients and in short while some of us have also been visiting and meeting clients to get the good feelings inside from the new management point of view.

After that it is obvious that one has to get down into certain other aspects of how to take the company forward. The new CEO will be joining on August 1, I am unable to announce his name right now for the reasons of confidentiality and such other matters as you are fully aware. Once he joins, it will be an endeavor of the board to along with them and the senior management team to at some point of time and let us say, which is in the later part of this quarter and the early part of next quarter to put in some motion and some way in place to ensure how to do, let me say an operation excellence exercise and I think that has to be coming from within the people and Mindtree and I am sure they are up to the job. And once we have that plan in place, we will with the cooperation of all concerns, push forward to see how to grow faster and improve margins of course that will be the way forward like for any other organization.

Sudheer G: That is helpful. My second question is in terms of how is the client feedback to the recent turn of events? Are they really upset or how has been your understanding of the client feedback.

S.N. Subrahmanyam: I think, this is not, I thought you would not ask me this question Sudheer, Ambit knowing L&T very well. We have moved into Mindtree and I think it is a very positive step from Mindtree's point of view, I think Larson & Toubro having now gaining control will provide full protection to Mindtree from any other future attempts of destabilizing the management, etc. So Mindtree comes into a period of high security and the management can concentrate on growth and the way forward. It will be a very professionally run setup like any other part of L&T or L&T itself. And therefore, the merits alone play a part. As you all know, connect of L&T and its network is unique and this is worldwide and we will provide that kind of connect and network to Mindtree after the client connection and also from any other point of view. And in my view, the few clients that I have had the opportunity to speak to have been extremely positive, welcoming, Mr. Naik, the Chairman of Larson & Toubro Group and also the Chairman of Mindtree Board has written to each and every client of Mindtree and has assured them a full cooperation, the benefit of the services, the benefit of L&T group's overall balance sheet and thereby it is a very positive feeling around, we have got replies that from quite a few clients and they have all been extremely positive about it.

Sudheer G: Thanks and that is it from my side.

Moderator: Thank you very much. The next question is from the line of Kawaljeet Saluja from Kotak. Please go ahead.

Kawaljeet Saluja: My first question is on collaboration. Now, if you look at Mindtree it is excellent in addressing the CMO spending of client and very good in handling the specialty programs, whereas LTI is strong on core transformation. Now of course there are areas of collaboration that are possible between them. Is there any thought of having collaboration agreement or sort of those aspects into place?

S.N. Subrahmanyam: I will answer your question in two parts. As it has clearly been brought out and has stated it publically many times including another meetings and forums and Mindtree is into the areas of CPG, retail, travel, airlines, high-tech and LTI is into the area of banking, insurance, oil and gas, media, health services and manufacturing. The only area that overlap, if at all in a very serious manner is banking financial because the title is the same, but if you look at the profile of the client LTI has got Citibank and few others and Mindtree has got AIG and Silicon Valley and such other clients. So there is no, not, no much overlap at all. There are a few one or two clients, which are overlapping, but again these are the clients is in totally separate spaces. Now at the moment our idea is to take forward Mindtree as Mindtree, LTI as LTI and LTS as LTS. Now there are many such examples in the Indian market where Tata's have 3, 4 companies, Hinduja's have got 3, 4 companies, Mahindra's have got 2, 3 companies there are other groups which have got IT companies and some of it is done from the point of focus and objectives. If you look at L&T, the way it is managed, even within the organization the verticals, the divisions have managed this verticals we call it IC that you are all aware and each IC has got its own Director or CEO, it has got independent board including people from outside and each vertical is run as its own vertical, as its own business, which is clear focus and objective to derive results from that point. So this model has worked well for us from that point of view. So the business focus on what it needs to do, it has its objectives clear, it has its fundamentals clear, it does what it needs to improve from, it does improve from its own assets point of view or services point view or capability building point of view and it totally helps that particular vertical to concentrate with the clients in its domain so that it needs to provide services now or in the future from the client point of view. The Mindtree has to develop like that, ultimately at some point of time maybe when all these companies become big enough and I do not know when it is and we are not applied our mind on it, it is possible and maybe a requirement that certain aspects of business can be combined or looked at for more joint together and maybe some combination can be thought of. But that is very far away and we are not thinking about it right now, so there is no point in pressing me to too many answers on it, because I do not have answers for it. We have not thought through it right now. Right now Mindtree will be run as Mindtree, LTI will be run as LTI, and LTTS will be run as LTTS.

Kawaljeet Saluja: Actually, the question, which I asked was on different topic, but now that you have addressed this topic, let me just complete, this ahead as well. So, let us take a simple case wherein both L&T and Mindtree operate in retail, CPG and transportation and both operating BFSI. Now tomorrow there is a contract that comes up and both the companies want to bid for it, is that something which is proactively agree up on or would there be a clear demarcation of the vertical?

S.N. Subrahmanyam: In a conglomerate like L&T, that is also a common, Saluja. For example if two of our business are wanting to bid for a client and each has got a particular services a client would require then we have this A plus B model within the company. So we will combine the services of Mindtree and LTI as A plus B and bid for it, if both the managements do want that particular service.

Kawaljeet Saluja: Actually the original part of my question was more on collaboration, when I said collaboration I think about it this way that LTI is not particularly strong in addressing the CMO spend or specific aspects of digital whereas the Mindtree clients can benefit from the core transformation capabilities of LTI for the same set of clients. So is there a collaboration agreement wherein the services?

S.N. Subrahmanyam: No, nothing right now and nothing is envisaged right now as I said all this will come over a period of time when both the leadership and management find itself that it is necessary, it is one to better its business or overall it makes some sensible sense on an overall point of view with the IT business we look at it but nothing right now.

Kawaljeet Saluja: The second part of the question, which I had, is more on margins. Now there are some aspects in through which margin can be managed very easily. For example Mindtree did invest in certain long duration programs around products, platforms, and all those stuff beyond digital programs which may not yield any revenues, but obviously if the intent is there and there is a good margin synergy which can be derived easily. So how do you balance near-term consideration on profitability and longer-term business objective to ensure a sustainable value creation to say?

S.N. Subrahmanyam: I think I answered this question when Sudheer of Ambit asked me this question. I think right now let the employees and the clients settle down and be aware of how this company is moving forward. The new CEO is joining. The management is very much there. Let them look at their own carpet in front of them and if they feel that something has to be done to tweak, all these decisions must have been taken in the right context with some long-term view or short-term view whatever it is and, we are not involved in the decision. Now it is not right to get on to a management and say all past decisions are wrong and all future decisions are going to be right.

So let that team settle down. I am sure they themselves will be conscious enough to look at the outside world where we have competition and their own profit and loss to say that something needs to be done to do things much better. And if that thing emerges out of it, we will be fully supportive of the decision at the board level to take it forward that is the best way to go forward.

Kawaljeet Saluja: That sounds comforting. Thanks a lot and all the best.

Moderator: Thank you very much. The next question is from the line of Parag Gupta from Morgan Stanley. Please go ahead.

Parag Gupta: Good evening. Thanks SNS for doing this call. I just essentially had one question, you kind of answered one part of it that you have already been in touch with clients and written to them and some of them have replied back. And on the other side there is a question with respect to

employees. So just wanted to understand given the amount of time you have spent so far now since you bought your majority stake, what do you think are some of the key challenges that lie ahead both as a promoter and as well as for the top management team?

S.N. Subrahmanyam: I think the key thing as I look to it Parag is that, it is a challenging atmosphere in the IT world per se, it is nothing much to do with Mindtree or L&T's investment. We have invested. The IT world is changing and the world is changing in the sense there is a typical application development and services is changing to more of digital and content and application and top up and so on and so forth. These high end technologies like AI, ML are going to be more often used analytics is going to become more common in such businesses. Now one of the reasons why we invested in Mindtree is also the fact that this organization is far ahead of the fact from the point of view of investment in digital and their capabilities in the digital services, nearly around 42% of the company's services are from pure play digital and the way they define it is very strictly digital. And therefore I see a lot of good things from Mindtree's point of view and therefore if I serve if it is a challenge I think the company is, nobody can say a company is 100% prepared for it, but having gone so much into digital far ahead of the pack, of course the volumes are much lower compared to a bigger names like TCS or Accenture or something like that. But from mid-term point of view I think Mindtree has done very well and therefore this particular aspect of Mindtree can be further invested, further grown and further developed. It addresses a major challenge from the change point of view of IT world. That is number one. Number two is the world is changing it is getting a little more inward looking protectionism is coming in and therefore this H-1B visas and such aspects are getting a more look on then what one would anticipate at this point of time. Having said that we need to now mentally be prepared that this is going to be the world, there is nothing that is going to change very drastically to remove this kind of protectionism that is coming in now, this will be the trend for a few years before something else changes. And that means what, the onshore cost is going to we got employee more people in the onshore. Therefore profitability is always under a bit of strain from an IT point of view, that IT companies are used to have higher margins the TCS and Infosys works at plus 20% and many of the other kind of companies, including ours, including LTI and LTS works at 15%, 16% and above. And therefore this aspect is going to get into an aspect where one has to apply its mind lot more to see how to do its work. And this is the strategy that needs to be worked out.

The third point I would say is that the kind of talent that would be required in various aspects of work like if you take specifics of software like Guidewire, Pega, Salesforce, etc., you need talent, which was not so far available or not so far easily available so skilling and retraining and making use of the available expertise workforce into some of these new aspects with their clients demand will require more attention to training and little ahead of training and maybe some investment in staff and so on and so forth. So if one can anticipate these three changes that are occurring and be prepared more in terms of how to address these changes and there is a Mindtree management can adapt to it much faster than the others I think they have way forward. The big advantage for Mindtree apart from these three challenges that it is a mid-tier company, the sales force is, the sales force and the people in the US and Europe are pretty closely connected to the clients, L&T will add its might in terms of client connect. So if we can stay closely connected with the client,

anticipate their trends that is required for the client and provide solutions much faster than the others, I think we have a leg up, we have a way up and that is the way we should take it forward.

Parag Gupta: Just related to that is how should we think about the founder promoters of Mindtree and their relationship with the company going forward. So do they continue to remain in any management seat once you announce your new CEO or do you think that would pretty much with the end of their employment contract as well?

S.N. Subrahmanyam: As much as I am aware from the NRC meetings and the board meeting and my personal talk to them, the three founders were there in the company, Mr. Krishnakumar Natarajan; Mr. Rostow Ramanan, who was the CEO; and Mr. N. Parthasarathy was the Vice Chairman and CEO have quit from the board positions. They will also be moving out as employees, but they have promised cooperation and to be with us as much as they required from taking forward any aspect of the business and therefore that is a very positive step and we will continue to cooperate with them and see how to take their help as and when it required.

Parag Gupta: Great. Thank you very much.

Moderator: Thank you. The next question is from the line of Aniket Pandey from Prabhudas Lilladher. Please go ahead.

Aniket Pandey: Thanks for the opportunity. Sir I had a couple of questions actually. So basically Mindtree has possibly the highest exposure to discretionary spending and generally project cycles are relatively of shorter duration in this and they require high touch with the clients. So due to all these integration process the attrition levels of Mindtree have increased a lot. So have you chalked out any plan to control the attrition levels going forward?

S.N. Subrahmanyam: Pradip, would you like to answer this question.

Pradip Menon: Thanks. If you look at the kind of data that we provided at the end of Q1 we shared with all the analysts, the LTM rate of attrition, which was slightly higher than the previous quarter, but not dramatically different. So if you look at our numbers it is still one of the lowest in the industry. We continue to see some seasonable trends because as you remember Q1 of the financial year is the time for performance evaluations and feedback. And there is typically a situation where there is a higher level attrition. So it is not anything surprising in the current context. So having said all that, this is not an area to be complacent, so we are constantly on watch and we will take all steps to make sure the attrition is kept under control and the top talents are well managed. Back to you SNS!

S.N. Subrahmanyam: Thank you.

Aniket Pandey: Sir one more question like earlier you have mentioned that Mindtree has a scope for margin improvement, but Sir going forward in addition to the standard industry wide concerns which are going on, on pricing pressure and there is a talent constraint going on in US and also there is a risk

of slowdown in BFS. So can you please elaborate on that, how you are planning for margin expansion?

S.N. Subrahmanyam: I think, I answered this question in very elaborately when Sudheer asked me. Now I will try to do it again. Now the point is there are some actions taken to by the leadership itself to see how to look at margins and how to improve it from wherever it is. As we have seen Mindtree's history, the profitability has been much higher, even couple of years back. So a few decisions taken itself, maybe from the good point of view, from investment point of view, from acquisition point of view, from future point of view those decisions the efforts has been taken, which has taken some hard hit on the profitability. Now my view on this would be at a board level supported of Mindtree right now with the equity that we have invested in it, is for the new leader to come in to settle down, get to know all the employees meet the leadership and meet the clients. Once we have done it, I think the leadership within Mindtree itself realizes what needs to be done, where things have slightly not worked out the way they have thought about on what they need to do to improve it; one, from short-term point of view; two, from long-term point of view. If they require any external assistance like consults, etc., to help them out with an operation excellence plan or something like that we will fully support the idea to take it forward. So in my view there is a consciousness about it, there is a feeling that one needs to improve margin, there is a feeling that in some areas like we will do much better than what they can do. There is also a clear perception that some pass-throughs or acquisitions they have done has not fitted into the box the way it ought to fit. Maybe we need to bring in new leadership there to improve that or we need to be conscious about how to go about that and therefore there will be a short-term plan, there will be a long-term plan and rest assured everything will be done to improve margins and that is a much for this company and it will be done.

Aniket Pandey: Thank you Sir.

Moderator: Thank you. The next question is from the line of Pankaj Kapoor from JM Financial. Please go ahead.

Pankaj Kapoor: Thanks for the opportunity. SNS I had two questions. First is on the sales employee especially. Apart from the promoters have there been any exists of senior sales leadership in the company since the events have unfolded? So and any steps you plan to undertake either in terms of giving out or signing in bonus or some onetime retention bonus to these employees to ensure that the talent, which you are really looking for on the sales side, they would not leave?

S.N. Subrahmanyam: As much as there has been only one resignation after the promoters left and I think this is resignation which has happened long before L&T even entertained the thought of entering Mindtree and that gentlemen left to start his own startup and investment thereon. And therefore that is something which has happened much before we even were aware of it what has happened so I do not know much details about it. There is no other significant senior resignation or even talk about it, so we are quite happy with it. At the same time Mindtree will run as Mindtree and is for the people there is to run it and as we are aware L&T is a professionally managed company we are

not here to go and sit there and run it. There the CEO has resigned and therefore a new CEO has to be brought in and that is all that we are doing and rest of the management remains the rest of the management and they have to take it forward. And therefore we see positivity and nothing else about it.

Pankaj Kapoor: So no plans for any retention bonus for key employees or anything that we envisage?

S.N. Subrahmanyam: Pankaj, if you realize just before the last quarter the previous ownership, previous management has declared a fairly decent bonus to all the employees of Mindtree and maybe on the occasion of 20 years of such. Now rest anything else needs to be done it is for the new CEO and the management of Mindtree to decide and whatever they decide that at the board level we support and take it forward.

Pankaj Kapoor: Sir the second question is on the next level of post the CEO appointment. So have you also done the exercise in terms of identifying any changes in the senior leaderships which we want to bring about or you think that is something which only the new CEO will take up, basically I am trying to understand it how much time will it take or for the company to stabilize that from the management changes?

S.N. Subrahmanyam: You asked three questions. First question had A, B and the second question is the third question, having said that. I think the management has settle down and we are all taking the organization forward. There is no, at the moment there is no thought process at least on my side to do any organization rejig or any structural changes. I think it is a fairly established structure, good structure maybe when we look at it from a outsider point of view now having come in from small adjustments or something has to be done and that is a regular management change that has to be done other than that we have met most of the top leadership, all are good people, all are aspiratious people, ambitious people. They seem to have targets very clear in front of them. They seem to be going about it. First quarter has been good. I have no reason to believe second quarter will be anything else and therefore to unnecessarily talk on management rejig and changes is not something which I am contemplating or thinking about. New CEO will come, yes once he gets into the seat and if he sees that something has to work better by doing this adjustment or that adjustment or having one person giving more load one person to focus more. That is a normal change that occurs in any organization, but that is for the new CEO and the management to decide and if there is any board level discussions required we participate or there is a typical management decision to be taken to move forward and that is the way I look at it Pankaj I do not think there is anything else to be done there some fine-tuning as I said that is it.

Pankaj Kapoor: Sure, got it. Thank you and all the best Sir.

Moderator: Thank you. The next question is from the line of Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: When we said in our opening commentary about double digit growth kind of a potential in FY20 is it more aspirational given that we had a weak start not so great macro and also the fact that the

new management may take some time therefore they could really take out the best of the available opportunity. So is it more aspirational at the moment?

S.N. Subrahmanyam: I do not think so, Rahul, because last year has been good. Last quarter has seen some deferment of deals, I guess, which could have done better. I think those are all coming back in this quarter as much as I know. So I would say it is a reasonable, very reasonable positive outlook to have rather than looking at in any other way.

Rahul Jain: Secondly when you were considering our new CEO induction, did you consider internal candidate within the Mindtree here or the idea was to bring in external candidate only?

S.N. Subrahmanyam: See, it is a promoter run company. In the sense the model of there were four, five promoters and each one took his turn being the CEO or whatever it is and to that extent from what little we could understand no succession planning from promoting a professional has been thought through. So we had to, at that point of time since we did not have too much of a time to look into the existing leadership I have to look at a very senior person, matured person, a very capable person, who has handled huge volumes to come into the company. We will be announcing it on August 1st, and rest assured he will take Mindtree forward to wherever it needs to go.

Rahul Jain: Thank you. That is quite comforting.

Moderator: Thank you very much. The next question is from the line of Bharat Sheth from Quest Investments. Please go ahead.

Bharat Sheth: Thanks for the opportunity. Sir just one question in opening remarks you said that Mindtree has invested in lot of amount in building a platform but not able to generate the revenue, kind of large company you are doing. So what is your strategy and in that sense really had to generate large revenue on the platform that they have created and so that also can help you in improving the profitability?

S.N. Subrahmanyam: Bharat I do not think I ever mentioned about any platform, Bharat. What I said was that Mindtree is most capable organization in its mid-tier category which has done exceptionally well on the digital side and digital when you do some this kind of development and services that Mindtree provides it does there is lot of investment gone in which I think is a very positive aspect from Mindtree's point of view. Now looking into the world of IT which is getting into more that digital aspect that means where certain aspects of analytics and AI and machine learning and specialized software services including go to cloud etc., is being required by most clients, I think it is very well placed to capitalize now that to take it forward, that is what I clarified, Bharat.

Bharat Sheth: So what is our strategy to capitalize those capabilities?

S.N. Subrahmanyam: When Mindtree leadership, the sales etc., go and meet the client we will emphasize more on talking about their capabilities in this frontiers of technology which they have already developed and which they will continue to develop and we will help the management to devise based to investment more

into develop. We will tell the frontline people to talk more about this to the client and where we are involved with the client we will also delve on these positive aspects of Mindtree frontier areas and thereby try to see how to capitalize on that to get further business to Mindtree.

- Bharat Sheth:** Thank you very much and thanks for the answer.
- Moderator:** Thank you. Next question is from the line of Ritesh Rathod from Alchemy Capital. Please go ahead.
- Ritesh Rathod:** Just want to again ask you said you will make announcement on August 1, would that links he will join on August 1 or it will take another couple of months for him to join this company?
- S.N. Subrahmanyam:** He joins on August 1 and we make the announcement on August 2, after the NRC and the board meeting.
- Ritesh Rathod:** Are there few other senior people would join because there is a vacancy on the Chief Operating Officer or Head of Sales or any such kind of few other senior guys would be joining?
- S.N. Subrahmanyam:** We have very good internal people. They have to be given a choice. They are already handling everything and they are doing pretty well. If at all the new CEO comes in find some rough edges are to be polished, he will take a call along with the leadership of Mindtree. I am only announcing the CEO and I have nothing else to do with it.
- Ritesh Rathod:** Thanks.
- Moderator:** Thank you. Next question is a follow-up from the line of Abhishek Bhandari from Macquarie. Please go ahead.
- Abhishek Bhandari:** Sir I had one question when you had initially given your intent to acquire a controlling stake you had mentioned it to go up to 66% and currently we are at 60% so do you want to stop here or you go ahead with your original plan of 66%?
- S.N. Subrahmanyam:** I think 66% was an intention but that open offer we went was not up to there and therefore we are stopping it where we are, we do not need to acquire anything more what for.
- Abhishek Bhandari:** My second question is as the original promoters will now part from the company and they would have had very strong relationship with some of your old clients of Mindtree. Do you have any contracts with them, which prohibit them from taking away any of your clients or is it like an open thing?
- S.N. Subrahmanyam:** That has to be negotiated, Abhishek, and we are in the process of talking to them and negotiate that, that is a normal contract somebody quit somebody has with an organization so we will do that, which is a normal practice in the industry.

Abhishek Bhandari: Thank you and all the best.

Moderator: Thank you. Participants who wish to ask a questions, please press “*” and “1”.

Amisha Munvar: Let us close the call. Thank you so much, everyone.

S.N. Subrahmanyam: Thank you Amisha. Bye!

Amisha Munvar: Thank you. We look forward to meet you during the quarter. Please feel free to reach out to me for any queries. Thanks and have a good evening to all of you.

Moderator: Thank you very much Madam. Ladies and gentlemen, on behalf of Mindtree, that concludes today's conference call. Thank you all for joining us and you may now disconnect your lines.