

Moderator: Good morning Ladies and Gentlemen, Thank you for standing by. This is Pallavi Kedar, the moderator for your conference call today. We welcome you to the Q3 results conference call of Prithvi information Solutions Limited, hosted by Prabhudas Liladhar Private Limited. We have with us today, Mr. Satish Kumar, Managing director, Mr. Shastri, Chief Financial Officer, Ms. Madhavi, Promoter from Prithvi Software Limited and Ms. Parul Inamdar, Analyst from Prabhudas Liladhar Private Limited. At this moment all participants are in the listen-only mode. Later we will conduct a question-and-answer-session. At that time if you have a question please press '*1'. I would now like to turn the conference over to Ms. Parul Inamdar. Please go ahead Madam.

Inamdar: Hi, Good morning every body. We welcome all to this post-results conference call of Prithvi Information Solutions and we have with us Ms. Madhavi. Currently she is based out of US and we heard she was away, but thanks Madhavi for being on the call and I will just transfer the call to you.

Madhavi: Hi every body. I was exactly on there on call but we did announce our results yesterday. This is my first results announcement and an analyst call or whatever. So, I am going to talk a lot about our business as to what happened in the last quarters and since we did our public issue. Our issue closed on October 28th and we open our stock on November 11th and in the last three months October, November and December, as we had posted in our prospectus that we were planning on moving a lot of our existing right now mostly in US and to move that into India. We were actually hoping to hire around 70 people per month starting November to move a lot of our onsite work to offshore work. We did do that and that's the reason why I am sure you guys would have probably read our results in terms of __3:16 and the profit margin increase in that. So we moved around 150 jobs in November and December and we probably, I don't have the January number fully but we moved around 90 jobs to India. So we are currently from a number of 120 people in October, we are up to around 200 and I think we will be close to 300 people by the end of January. And in terms of other business area that we started to work in, we started our European operations, we landed some business from local clients there and we are working with ABN Amro Bank also in Europe. Hopefully we start to do some work for them in the next one month or so.

In the US we started to work in a new practice area called Knowledge Process Outsourcing, wherein we are going to outsource high-end research work from different corporations in US. In this regard we landed our first research project with the **T-Mobile** where we are going to do data analytic work, per T-Mobile essentially trying to analyze their call data once the T-Mobile puts their towers and everything. And they do have test period where they will give a test cell phone and attach equipment to different people and see how the network is working and where the call is dropping and where the call signal is at speak etc. So we are collecting all that data, actually the data are already collected and we are doing some research on that to figure out optimize tower design and optimize signal design and things like that. So that is number one and we actually are on February 7th we are signing a contract with Microsoft Business Solutions Group, where we will be doing some research work for them as well on their consolidating and integrating all their ERP products like the great link product there are 3-4 different products in the application base ERP so we are working on integrating some of them and creating optimum integration pack and things like that. So, that has been the progress in terms of these knowledge process outsourcing practice. Apart from that we are studying along with working with the existing client on getting a new project and also we moving the project from just the onsite to the global delivery model.

Now in terms of recruiting in India, like any other company we are facing recruitment issue where as we have a lot of needs and we are interviewing a lot of people and there is a lot of competition out there, a lot of companies trying to recruit as well and thereby increase in the salary. Now what we are trying to do is, we had a talk in fact in the middle of January, we had a meeting with only Vice-Chancellor of the AP universities, Andhra university, Osmania university, Sri Venkateshwara university and the **triple IT**. So what we have made an arrangement with these universities is, we are going to set up campus development office at all these four campuses triple IT and other three universities where we will be recruiting fourth year and third year students and giving them training in very specific technologies that we will be needing and we will be using them after their engineering is done. For example, we were actually recruiting mechanical engineers

where we will train them in using Abacus and ___7:52 and finite element of packages where we will using them to research in the knowledge process outsourcing area. We are recruiting computer science and civil engineering students where we will train them in different programming languages and specific to our requirements like, for example, we use lot of micro strategies, data warehousing tools, identify results with ___ tool. So we are going to train them in these specific technologies and after that they will be involved at a lower rank may be like a quality assurance or a junior programmer level by the time they are in the last semester of their fourth year engineering. And by the time they graduate they we will select of the best of those students we will give them a full-time job they would had ___ by then and they would know these methodologies and the working environment and the mission. And we will also do take people on our software and we will tie them to come to contract, thereby sort of having an edge over other companies recruiting. So we are going to start of with campus with a little facility in triple IT and we will move on to Osmania university and then to Andhra university. So that is the game plan on recruiting, setting up some structure and setting up some methods of holding some recruiting some good talent. So we are going to continue to do that. We will talk to some universities in Tamilnadu and also may be some science colleges within Andhra and things like that. Now as mentioned in the prospectus we are going to build up facilities, we have identified the land and we are in the process of starting structure.

In terms of new clients, we recently have started to work with Microsoft, starting to work with **boeing**, we are starting to work with couple of investment banking companies where we are going to do some data analysis again predicting, modeling and thing like that. So that's what happened over the last quarter. Now looking into the future of this quarter, like as I said, we are aggressively putting our knowledge for this outsourcing, we are going to be in a very different league in terms of the value chain providing research solutions to our clients, like it is working with Microsoft working with boeing.., we are working with T-Mobile already. And another company that trying to work with is also ABN Amro, that is one scenario. We are going to push our European operations as well, there we are talking to EBS and several other companies where we are hoping to land some good amount of work there. With the present customers, we are continuing to grow at the

same rate as we were before and we are hoping to land a couple of contracts with existing clients. I don't want to give out the names until such have these contracts are done but with the existing clients wherein we are getting around 400-500 people offshore contract where we will be outsourcing data center work and also their helpdesk work. We are going to outsource one company all their quality assurance work, be their application development, product development and other quality assurance areas __12:04 all that. So that is around 450 jobs there and we are continuing whatever new projects that we are getting, we are continuing to adapt the global delivery model not just the onsite model, we are pushing that with all our clients. Hopefully by the end of this quarter we are looking at around 300-350 job addition by the end of quarter ending March. I think that's about what I have for right now, if I can take questions now?

Moderater: Ms. Inamder, we also have Mr. Satish Kumar, the managing director of the company in the call.

Inamdar: Sir, could you please give some comments?

Madhavi: Satish, I went there and told about lot of the business talk, may be you want to take over on the number in terms of what we did bottomline and all that.

Kumar: For the quarter I think almost all of you would had seen them, we did clocked the business for 116 crores with the profit around 12.38 crores. The EBITDA was around 11.32% because increase over the last quarter from around 11.16% to around 11.32%. And the main reason for that was the realignment of services that we have been doing to higher margin businesses that we were in our business portfolio and that's how we could increase the margin raise there. So I just wanted to say that statement and we can take questions.

Madhavi: Just to add to Satish's statement that the higher-end work, we in our intelligence solutions SBU, the business unit, we entered into doing data analytic work where our onsite rate have shot up from around \$75 on an average intelligence solutions business unit to about 110. So, the existing clients where we have been implementing data warehousing tools, some data scrubbing and data processing that we have been doing, it has actually taken that data to do a lot of analysis on their somewhere

physical standpoint, somewhere demographic standpoint and also somewhere future prediction standpoint in terms of their demographic standpoint analysis. So, that is one thing, again there is little bit of an intercyling here between the KPO work that we do and the data analytic. So that's actually over the last few months we have been doing that and we are going to continue to provide that service to most of our retail and Pharma retail customers in the business intelligence business.

Inamdar: Moderator, can we go ahead with the Q&A session?

Moderator: Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question please press '*1' on your push-button phone and await your turn to ask the question when guided by the facilitator. If your question has been answered before your turn and you wish to withdraw your request, you may do so by pressing the '#' key.

Inamdar: Could I go ahead with the question?

Moderator: Certainly Ms. Inamdar.

Inamdar: Could you please give a break up of the revenue mix this quarter which is onsite and offshore?

Kumar: The onsite revenue is around 88% and the offshore is around 12%, this is essentially the revenue mix on onsite/offshore. Revenue mix in terms of business services like tech **outsoure** to the four businesses that we were in, tech **outsourcing** business intelligence, network solutions then KPO goes around 62% came from tech **outsourcing**, 34% came from network business intelligence and now we got around 10% from network solutions and the other came from other small other business that we have been doing.

Inamdar: Okay, and in terms of project mix between TNM and fixed prize projects?

Kumar: Around 89% there is TNM and 11% is fixed price.

Inamdar: Okay, and client concentration Sir?

Kumar: The top client this quarter is around 10%.

Inamdar: That will be substantial?

Kumar: Yes, that will be substantial mainly because we are doing more work to T-Mobile and T-Mobile is our largest client and that top ten is around 29% or 30%, the top **ten** is around 24%.

Madhavi: We have increased our business substantially with team T-Mobile between the research work that we are doing and also the other...

Inamdar: How many people would we have dedicated on T-Mobile account?

Kumar: Onsite we have around 45-50 people and offshore we have around 15-20 people.

Inamdar: Okay, I will come back later with another question.

Moderator: Thank you Ms. Inamdar. For any further questions all participants are requested to press '*1'.

Inamdar: Could I go ahead.

Moderator: Yes, Ms. Inamdar you can go ahead Madam.

Inamdar: Sir, could you throw some light on the four horizontals that we are now planning to focus on with special focus on the KPO services area and what are the plans over there?

Shastri: Madam, incidentally this is Shastri, I am also in the conference line now.

Inamdar: Right, welcome Sir.

Madhavi: Should I go ahead.

Shastri: Please go ahead.

Madhavi: I think I forgot to mention a couple of points there. So right now we are in technology outsourcing which involves all our port and development integration, migration, ERP some supply chain work and things like that we do. Just to refresh these all your memory if forgotten from our IPO. Then the next one is our intelligence solution which is essentially our data practice, anything

to do processing to data scrubbing, data warehousing, reporting and now data analytic, that is the next practice. And the third one is our telecom service practice where we provide turnkey solutions for telecom service industry. Fourth one is our process outsourcing practice, which involves both BPO and KPO. KPO is knowledge process outsourcing and BPO is business process outsourcing. Right now very little of that we are doing may be 3% right now. Now let me go back to technology outsourcing. In terms of increasing the going up the ladder on this value chain, apart from providing the application integration, portal development, product development like that now we started to provide ERP solution. Again two things we are doing, one is we were already implementing some SAP work, we were doing production support and quality assurance work. But now we are entering into fullfledged ERP implementation using SAP and Oracle Lab. Now we are also working with Microsoft with their MBS (Microsoft Business Solution), where we are trying to integrate and make this one integrated ERP package. Hopefully, this is long-term plan, over 2 to 3 years that will be a big chunk of our business and we might end up implementing Microsoft ERP solution. That's one long-term region that we have but right now over the next couple of quarter we will focus on SAP solutions and Oracle Lab solutions. We are also working with some customers who have been using People Soft in the past and now that the People Soft is being bought over by Oracle, we are actually trying to provide People Soft annual maintenance service for these customers and also help them move them from People Soft to Intel Microsoft based on SAP base or Oracle based application. So that's going to be a huge focus area for over the next few quarters. So that is as far as technology outsourcing is concerned and we are working with a lot of start up and small process company where we are developing product around their processes, we are continuing to do that. That will be another big focus area for on of the next few years, that is going to be a big differentiator also for us because we have a full product development methodology from conception to shrink __22:57 and selling it to client, so we want to focus on that.

Now as we mentioned again going back to our IPO days, as we mentioned that we will go back to implementing and bidding for a lot of government projects. We have started work in that regards, we have actively started to bid for projects within a 12 different states and hopefully in the next

couple of months we will be able to do some announcement saying that we have landed project with those customers and with those state. Most of these projects are around either ERP solution or portal based solution, so we are doing that. So, that's as per our technology outsourcing.

Coming to our Business Intelligence Solution, right now we work with retail pharma mostly on that and some manufacturing. Now we are from a technology stand point, we are going to do data analytic, that is the value addition to the service that we are providing. Also we finalize our partnership with ___24:19 data, we were actually have been working on that for the past five years, we have finalized that. In fact HCR is hopefully going to be our customer, we will know that in next couple of weeks. And we are also finalizing our partnership with **Cosmos**, those are the three things we have done from our technology standpoint. Now from our business vertical standpoint, we are trying to work with, you know we have a Telecom Service Practice, now we are trying to provide data warehousing services to our telecom customers again T-Mobile being one of them.

We have the top pharma retail company that work with and we are actually trying to work with other two competitors in the pharma retail industry providing business intelligence work. They want to continue to work on retail in terms the vertical we are adding on the telecom service vertical. Now next going to our telecom service practice, our **RF** engineering practice that has been doing actually a great **gun** over the last 2-3 months. Hopefully we can make some big announcement in the next month or so. We are working with a couple of largest telecom providers to work with them on several aspects, not just the engineering side of it, not just the tower design and tower optimization outside of it but software side of it. So that is going to be a huge focus area for us and over the next one year you are going to hear back from us several different things, several new things, that is going to do in telecom service area. Now we have also opened in Seattle office in last month because singular and T-Mobile are there and we want to do a lot of where we innovative that, that is as far as our telecom service goes. Next is our going to KPO knowledge process outsourcing, I have already mentioned that we have 7-8 large customers in the pipeline. We are in the final stage of finalizing with a lot of them. This is going to be very high-end research work, there will be

some data analytic work were we will, in the finance sector we are working with a couple of banks and investment banking company, that going to be data analytic. But rest of it will be around product development or around very hard core engineering kind of work. So that's going to be another KPO practice.

Now this year, when I say this fiscal year or this calendar year between January to next December, we are going to focus a lot in the KPO on landing large big customers who have a lot of trust on doing a lot of research, like around big pharma, manufacturing and things like that. So that's going to be our focus, the number might not be very big but the focus is going to be to land customers to implement our good number of pilots for them. So the year after we improve on the amount of project and the volume in terms of resources.

Shastri: Madam, KPO what we are doing is the pilot plant right away, pilot project.

Madhavi: Correct.

Moderator: Thank you Ms. Inamdar. Participants who wish to ask any further question can press '*1'. As there is no more question I would like to hand over conference to Ms. Parul Inamdar. Please go ahead Madam.

Inamdar: We wish to thank the management of Prithvi to be on this call, thanks a lot and all the very best for the coming future.

Madhavi: Thank you.

Moderator: Ladies and gentle men this concludes your conference for today. We thank you for your participation and for using TATA Indicom conferencing services. You may please disconnect our line now, thank you and have a great day.