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\* Abhijit R. Akella

Ladies and gentlemen, good day, and welcome to the Qess Corp. Limited Q2 FY '19 Earnings Conference Call hosted by Axis Capital Limited. (Operator Instructions) Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Aditya Bagul from Axis Capital Limited. Thank you. And over to you, sir.

Aditya Bagul, Axis Capital Limited, Research Division - Assistant VP of Midcaps [2]

Thank you, Janice. Good afternoon, ladies and gentlemen, and a warm welcome to the Q2 FY '19 Conference Call of Qess Corp. Limited. We have with us the management of Qess Corp, represented Mr. Ajit Isaac, Chairman and Managing Director; Mr. Subrata Nag, Group CEO and Executive Director.

I shall now hand over the call to Mr. Sangram Mallick, Investor Relations, for his opening comments. Over to you, Sangram.

Thanks, Aditya. Good afternoon, everyone. Thank you for joining today's earnings call. Please note that the results and the press release has already been uploaded in our website.

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 forward-looking statements must be viewed in conjunction with the uncertainties and the risks we face. These uncertainties and the risks are included but not limited to what have already been mentioned in the prospectus filed with SEBI.

With that said, I now turn over the call to Mr. Ajit Isaac. Over to you, sir.

Good afternoon, and a warm welcome to all of you to the earnings call for the second quarter of this financial year. This quarter at Qess is marked by strong organic growth, sequential improvement in margins and an improved cash flow position. Overall, our focus for the first half of this year has been execution-led growth and balance sheet management to grow our financial metrics.

To commence this call, I'd like to give you the highlights of the quarter and a brief commentary of performance, after which we'll be happy to take questions from you.

We continue as one of the largest employers in the country with a total headcount closing at about 280,000 people for this quarter. Our revenues grew by 50% year-on-year to INR 2,092 crores, led by strong organic revenue contribution of about -- increase of revenue contribution by 26%. Our EBITDA increased to INR 112 crores compared to INR 102 crores in the last quarter of this year, an increase of 19% -- of 9% sequentially. Our EBITDA margins stood at 5.36% and our PAT margin at 2.95%. EBITDA margin improved by 15 basis points on a sequential quarter basis. We achieved a PAT of INR 62 crores compared to INR 54 crores for the same period last year, an increase of 13% sequentially. Cash flow from operations improved significantly to INR 72 crores in the first half versus a negative INR 95 crores for the same half last year. And EBITDA conversion is now at about 34% versus 31% for the same quarter in financial year 2018.

Our core operating businesses have demonstrated solid growth. Our staffing and facility management business, along with our core technology business, which contribute about 80% of our overall revenues, have reached strong growth for the first half of this year. Specifically, our staffing business crossed the 175,000 mark and added over 11,000 headcount to the last quarter.

Our facility management business locked strong growth of 26% and achieved an improvement of 88 -- 38 basis points in EBITDA over the previous year.

I'm also glad to inform that Qess has been able to make significant improvements in our recent acquisitions.

At Conneqt Business Solutions, formerly known as Tata Business Support Solutions, the EBITDA had doubled in H1 to about INR 37 crores versus INR 17 crores in the previous year.

In DigiCare, we've increased our footprint by 60 new service centers, and we now have about 250 outlets versus 120 when we purchased the company a few months ago. Additionally, we've added 4 new premium logos as customers to -- as customers for our business.

In our employment portal, Monster, we witnessed the highest ever traffic increase of 10.9 million job seekers in a month, and this has added to an active searchable resume base of 22% compared to the same period last year.

On the cost front also, we've been pleased with Accenture. We're at the halfway stage, and we're making a reasonable progress against plans for cost cutting. Overall, we are pleased with the progress we've made this year.

I'm joined by my colleague, Subrata Nag, our Group Director of Finance and our CEO, to take questions from each of you.

And now I would like to throw this open to all of you to take questions, and we'll follow the queue system as it comes up.

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## Questions and Answers

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Operator [1]

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(Operator Instructions) We would take the first question from the line of Nitin Padmanabhan from Investec Capital.

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Nitin Padmanabhan, Investec Bank plc, Research Division - Analyst [2]

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I just wanted to understand, are you seeing anything from a demand perspective from NBFCs and banks in the context of what we are seeing today for this and the staffing business that could be potentially a risk on demand going forward?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [3]

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So we have a significant portion of our business from the financial services sector, but it's a combination of insurance, banking and NBFCs. At this point, we're not seeing a decline in terms of requisitions from these companies as of now in spite of certain developments in the industry. We think that this is a temporary phenomenon. Also, this is the festival season, so it usually sees a higher pickup on a number of people, and this has not impacted us so far.

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Nitin Padmanabhan, Investec Bank plc, Research Division - Analyst [4]

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Sure. Great. The second question was on the global technology services business. If you could just give some color on the weightings have moved there. I think margins have sort of -- year-on-year have come off but have not been realized, and it seems to be improving. Is that the trend that we should start looking at going forward? And any color that could -- you could give on MFX and Brainhunter, those individual pieces separately would be helpful.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [5]

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Sure. So in the technology business, there are essentially 2 components. One is the professional staffing piece that are under the 3 different brands in the separate geographies. In the United States, we have Brainhunter and -- North America, and Mindwire. In India, we've got it under Magna, and in Singapore, under Comtel. Comtel has seen increased growth this year. For the first time, we've seen an additional headcount of about 100 people that's added in the last quarter. We're happy to see progress in that, and we think we will -- we want to see at least about 10% to 12% growth against the

economy, which is growing by about 3% per annum. In India, the business is stable. The IT services business and the technology industry in India is now finding its feet back in. Requisitions have picked up, and we think it's in the stability zone. In the United States, MFX has had a good year. Margins have been between 11% and 13%, and growth has been to plan. So the technology business is going to as far as investment plan, and we're happy with this progress.

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Nitin Padmanabhan, Investec Bank plc, Research Division - Analyst [6]

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Do you see demand accelerating there? Because a lot of companies seem to be reporting higher sub-contracting costs, quoting tightness in supply. In that context, have you seen acceleration in this growth that you would see from a staffing perspective, both in the U.S. and India and Singapore?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [7]

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Well, I think there is a differentiated growth here. Among captives in India, we're seeing growth because captives are beginning to -- are continuing to grow. On the IT services side, it remains to be fairly constant.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [8]

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Yes, it remains to be constant. Our technology group, what happened last quarter, other than staffing, actually, our CLM business, Conneqt, which is Tata Business Solutions, that has been doing very well, getting new contracts. We won 2 large PSU bank contracts that is going on in transition. We added last 6 months almost 3,000 new headcount into that business. And we have now 150 people working in Vietnam and almost 100 people in Middle East to work to our foreign first clients, international clients. So CLM -- actually, Conneqt had been contributing handsomely into our awarded GTS. As far as the margin decline, what you told, one thing you need to keep in consideration, DigiCare, that business, what we acquired, is a part of also our technology business, okay? And DigiCare, though, their business volume and the number of stores have gone tremendously. Our number of mobile sponsors who are doing repairing gone tremendously. We opened a new service line. But all said and done, this is an investment phase. We are investing heavily to build a national footprint. So that -- actually, the margin there is very low. So that's, to some extent, actually reducing the overall GTS margin. But once I think the -- one -- another quarter and 2 quarters down the line when DigiCare will come around 5% or 5%-plus margin, what we're expecting. I think this overall margin of GTS, you will see next year last year's number or may supersede the last year number, maybe 2 or 3 quarters down the line.

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Operator [9]

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We would take the next question of Rajesh Kothari from ALFAccurate Advisors.

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Rajesh Kothari, [10]

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Sir, it will be great if you can give a little bit more detailed breakup on the various divisions within each segment. And I'm sure for the benefit of everybody, if you can also give the outlook on each segment. For example, Global Technology Services, you mentioned 3 brands, along with DigiCare. So what are the revenues of each of these? Is it possible to disclose that on a quarterly basis?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [11]

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Yes, surely, we can do that. I think if you come to offline to Sangram, I think he can spot on the -- anything of breakup. That's not an issue. If anybody is really interested to know, we are happy to do that.  
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Rajesh Kothari, [12]  
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Okay. And is it possible for you to share the overall outlook on each of the segment-wise in terms of the growth as well as in terms of margins? That's question number one. Question number two is, how does the project which you took over - I think Trimax, how this project is doing? Is it back to the normal -- normalcy? Or are we seeing still some pain probably for another 1 or 2 quarters? And third, what is going to be your overall acquisition policy for projects like Trimax? Are you now deciding that we probably will not go into any dormant back orders or your overall strategy for such business?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [13]  
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So the first question about sector-wise outlook and margin growth, et cetera, we prefer to give that to you, along with the data that you ask for each business and margin separately off-line. Whenever you want it, we're happy to give that to you. But I like to take the question on Trimax. I think the approach of the company is that we will restrict ourselves from taking any more such projects. This is something that we ventured into, and we think that this is an area that we would like to avoid in the future. So we will implement that as much as we can in this and do a successful project implementation and live with the asset maintenance revenues that we will get over a period of time. In terms of the future build-out, we don't see any more investments going into this vertical in the future.  
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Rajesh Kothari, [14]  
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Okay. So when you say this vertical, means Trimax?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [15]  
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Into smart city-related projects.  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [16]  
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Yes. This smart city-related project, what we have, Ahmedabad, it is in the last phase. I think most of the implementations have been done. Now the Ahmedabad, that schedule, that's -- they are going through the inter-testing facilities. I think by November or maximum December, the project we will get over. So that is a large project we implemented successfully. But seeing the revenue, working capital cycle, we thought that it was better for us not to venture, which is working capital cycle is a very lengthy cycle. So we are slowly -- we will do this project, we'll keep our commitment, but after that, we may not bid for any further smart city project. But any smaller, something in the -- wherein our working capital cycle is -- as far our current working capital cycle, we may look and pick and choose as the things come.  
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Rajesh Kothari, [17]  
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Okay. And, Ajit, would you like to give some color on the overall, at least, outlook in terms of the growth in margins by segment, by -- or probably we can deal off-line with your overall terms?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [18]

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Yes. So while -- so margins right now is about 5.36%. We think we will exit this year at about 6% in terms of the EBITDA margin. Aspirationally, we like to get to about 8% eventually, but our first milestone is to be able to exit this year at a run rate of about 6%. Principally, this will come out of the turnarounds that we achieved at Monster and higher-margin businesses that we are progressively increasing -- that we're investing in.

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Rajesh Kothari, [19]

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Okay. And growth?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [20]

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See, we -- this year, you will see, year-to-year, we are almost 50% growth. On an organic basis also, we have 26% growth, okay? So we don't see any problem in the growth. Our staffing business has been growing (inaudible). I think we are in the -- going through -- actually, we are going through our 2 strong quarters. If you historically see our third and fourth quarter are always our best quarters, and I think we have a very good strong platform this year also to launch when you have the third and fourth. And I just -- I'll not predict about the next 2 quarters, but I'll just give you a historical perspective. Last year, we ended the year INR 354 crores, but the H1, we did INR 154 crores EBITDA. So this year, I guess INR 154 crores, we have done INR 214 crores. So you can -- I hope that we'll be able to keep that momentum this year also. And this year also, Qess will deliver as we always do normally.

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Operator [21]

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We will take the next question from the line of Balthazar Florentin-Lee from Sloane Robinson.

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Balthazar Florentin-Lee, [22]

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I'd like to ask about the margin and the P&S business, where in Q1, we saw a year-on-year decline. That was attributed to the training projects within the segments. Specifically, you had built up capacity to take on more trainees, and this is expected to fill up. We've seen a slight margin improvement here since last quarter but not much of an improvement. When do we think those training capacities will start to fill up and we'll start to see the margin benefits coming through?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [23]

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Yes. As you rightly say, the training business actually started working almost in full capacity as in last, say, 1 month, okay. So I think you will see most of the impact in Q3 and Q4. But if -- at the same time, I'll say, you will not see a dramatic change in the overall P&S margin. You will see the sequential -- every quarter will increase because most of our large business in the P&S, in the staffing business, and that margin is normally a stable margin. We don't see a huge jump into that margin. But with the Accenture project, what we are doing and the zero-based budgeting and more digitization, we

think it'll take some time, but a Q -- every quarter, you will see at least 30 basis point increase will happen in the overall P&S space.

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Balthazar Florentin-Lee, [24]

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So should we expect P&S on a full year basis to be in line with what it was last year in terms of margins?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [25]

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Yes, you can expect definitely that margin on a year-to-year basis.

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Operator [26]

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Next question is from the line of [Agha Misha] -- from the line of [Bipin Mehta] from Excelsior Equities.

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Unidentified Analyst, [27]

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I just want to go back to your Slide #9 in which we have seen the interest income shoot up from INR 16 crores to INR 28 crores year-on-year for the quarter. And I did hear you once, you were saying that there was an element of perhaps onetime or some expenses relating to merger. Can you please quantify? Was there any onetime cost in the interest expense, which will get normalized over the next 2 quarters?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [28]

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Yes. There's 2, 3 aspects to it. One is the average interest rate for the quarter has been higher, one, due to MCLR changes, one. Second is we have an active put option, NPS put option, which contributed, I think, about INR 11 crores, no? Which is about..

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [29]

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INR 13 crores.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [30]

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INR 13 crores.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [31]

In H1.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [32]  
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In H1. And -- so that was the second one. And...

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [33]  
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Inorganic growth.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [34]  
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Yes. And then we had -- all our growth -- on 50% baseline of growth that we had, 26% was organic. The rest was...

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [35]  
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Inorganic.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [36]  
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Inorganic. So in the inorganic business that we grew in, also there was some debt. So all of that is what has contributed to the overall aggregate increase in the interest cost. But we see it leveling out now because our cash inflows are now better and we think we will be able to not...

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [37]  
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Yes. The DSO level, also you saw it came down. And with the DSO and cash generation, we are confident that the Q3 and Q4, you will not see an uptick in the interest cost. It will be stable or it will come down a little bit.

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Unidentified Analyst, [38]  
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Once you have the next 2 quarters performance EBITDA going up, you get the operating leverages on these 2 accounts, right?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [39]  
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That's correct. Yes, yes, yes.

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Unidentified Analyst, [40]  
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Okay. One quick question, sir. This DigiMax, which is a mobile servicing and maintenance business, that is getting captured in which vertical? I think you have given us...

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [41]  
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Technology vertical, GTS.  
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Unidentified Analyst, [42]  
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On the?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [43]  
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GTS, technology.  
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Unidentified Analyst, [44]  
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Technology solutions?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [45]  
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Yes, technology.  
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Unidentified Analyst, [46]  
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Where you've seen the revenues go from INR 390 crores to INR 707 crores.  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [47]  
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That's right, yes.  
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Unidentified Analyst, [48]  
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So is DigiMax entirely technology solution or there are some other business also that's come into technology solutions?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [49]

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No, technology solutions has a couple of -- Ajit was explaining. First of all, a large part is the IT staffing, which is in Magna in India, Comtel in Singapore, Brainhunter and Mindwire in Canada and U.S. These are the staffing space (inaudible). Then we have the MFX in U.S. and India. That is our insurance software services space, P&C insurance space. And third is the customer life cycle management. That is the Conneqt or which is known as Tata Business Support Services. That is the call center business. And the fourth one addition, that is the DigiCare. It's the fourth leg, actually.

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Operator [50]

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(Operator Instructions) Next question is from the line of Alok Deshpande from Edelweiss.

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Alok Deshpande, Edelweiss Securities Ltd., Research Division - Research Analyst [51]

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Sir, I just -- 2 questions. One was, can you take us through what is -- and specifically, in general staffing, what is the sort of pricing or the margins profiles across the different verticals that we service? So sort of a ballpark margins, let's say, in BFSI and let's say, hospitals, hotels. So which of these verticals are at the lower end and which are at the higher end? Just a general idea without getting specifics.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [52]

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See, it's pretty difficult to give in a sector-wise margin. We don't see any very wide difference that one particular sector gives really high margin and one sector gives low margin. Only I will say the e-commerce space, we saw a little higher margin. That's what we normally get from other businesses. Otherwise, overall, it's a very same kind of range you can take. It's not a -- difference sometimes company to company but not much effective to sectors.

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Alok Deshpande, Edelweiss Securities Ltd., Research Division - Research Analyst [53]

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Okay. So is it fair to assume that the -- do the overall margins that we get in this business -- across the verticals, everybody is like in a very -- all verticals are in a tight range, right? So that's...

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [54]

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Yes, more or less. But some of the contracts we've got -- sometimes you get a large contract, collect and pay. Maybe you take a little lesser of the thing, the volume and the value and the customer profile. So that happens, but you can -- sector-wise, they're not -- maybe a little bit of variance, but it's not a very wide variance or material kind of variance, we think.

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Alok Deshpande, Edelweiss Securities Ltd., Research Division - Research Analyst [55]

Sure, understood. Sir, and just on the pricing. I just wanted to understand how has been the pricing environment in terms of the staffing this quarter and maybe the last couple of quarters because it's clearly, in the last 3, 4 quarters, you have sort of become the market leader. And I just wanted to understand how the pricing environment is playing out among the top 5 or 7 players?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [56]

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See, one thing we are very clear, we don't want to get into or indulge ourselves into pricing game just to -- increasing our headcount. We are very clear and the direction is clearly there. So we -- but we want -- at the same time, we want to be competitive in the market. We don't want to be outpriced ourselves. So at the same time, we normally ask a little bit of premium because of our operation, because of our technology, because of our execution capacity. But at the same time, we are staying competitive and we compete as and when it requires, depending on the customer, depending on the volume of business and depending on the -- some factors where we are not there, like BFSI, we were a little weak, we took a requisite stand and now we have a very strong BFSI vertical. So it's a strategy always in goals, depending on the -- as I told, vertical customer, our profile overall, but not -- generally, we don't get into just cutting the price and gaining the market share. We don't believe in that. I think our -- we are getting and we're seeing more and more customers are coming because of our execution capacity and our capability of hiring and managing a large workforce, spanning here throughout the 365 days. I think that those are basically -- I think those are actually over-raising of the pricing and the -- in this particular sector.

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Alok Deshpande, Edelweiss Securities Ltd., Research Division - Research Analyst [57]

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Sure, sir. That's very helpful. So just one last one, on facility management. Can you just take us through in terms of where you stand in terms of market positioning now, in terms of third largest, fourth largest, where do you stand? What's the growth outlook that you see for this segment over the next 2 or 3 years?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [58]

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So we manage close to about 220 million square feet of space right now and going up further with the new contracts we've taken. We believe we're among the top 3 in India. And in terms of margin profile, we perhaps will be among the top 2. That's where we stand. In terms of growth, we expect to be growing by at least about 20% to 25% year-on-year. And in terms of margin expansion, we think there is about 100 basis point expansion that will happen this year in margins in that business.

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Operator [59]

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We would take the next question from the line of Abhijit Akella from India Infoline.

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Abhijit R. Akella, IIFL Research - VP [60]

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On the organic growth, revenue, obviously, was 26%. Just wondering if it's possible to quantify the EBITDA growth as well on an organic basis.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [61]

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Yes. I think it is 18% on an overall basis and 15% from inorganic. Total 33% -- 32%, 33% EBIT growth, but 18% and 14% is the breakup.  
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Abhijit R. Akella, IIFL Research - VP [62]  
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Got it. That's helpful. And regarding the operating cash flow number of INR 72 crores of 1H, just wondering if it's -- if it would be possible to give us a rough breakdown of the elements leading to that leg, specifically working capital, so that we can have that handy with us.  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [63]  
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What breakup you want?  
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Abhijit R. Akella, IIFL Research - VP [64]  
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I mean, just the...  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [65]  
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Well, I think this is a very specific question. You can contact Sangram. I think we can definitely give you that.  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [66]  
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We give that to you off-line, Abhijit.  
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Abhijit R. Akella, IIFL Research - VP [67]  
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Sure, sure. Definitely. The other thing I just wanted to check is in the press release, there's a comment by Mr. Isaac about - as you navigate through the year, the focus will remain on execution-led balance sheet management. Just sort of wondering if we can interpret that to mean that maybe future M&A will take a little bit of a back seat in the near term and you'll be more focused on consolidating what you have or is that not the intention behind that statement?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [68]  
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I think you're reading the tea leaves right. We want to be focused on execution. But having said that, we are also sitting on some cash on our balance sheet and we've always been opportunistic in terms of what we've -- where we invest in. So if we come across investment opportunities that meets with our investment guidelines, we'd be happy to look at making an investment, particularly in the Customer Lifecycle Management space, where we think we need digital non-India, [nonvoice]

kind of business that we can add to Conneqt, which is actually doing very well. So we'll be choosy about what we do. But I think the large part of our time is going into ensuring that cash flows go up, margins are increasing and market share is also going up. We don't want to become price warriors in any business of ours. So the focus will be in terms of service quality, compliances, geographical presence, digitization, automation, which should give a higher customer value finally at the endpoint. That's really the focus of the company.

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Abhijit R. Akella, IIFL Research - VP [69]

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That's very good to hear. And just one last thing, if I may, if I can squeeze in. Regarding the Industrials segment, which I understand houses the Hofincons business you acquired a few years back. So obviously, that perhaps hasn't performed as well as some of our other acquisition given our own lofty standards in terms of turning around the acquisitions we make. So what do you see as the outlook over there? And what's the strategy, sort of to turn that segment around going forward?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [70]

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So there's 2 parts to the strategy. One is to discontinue or cease further investments into the smart city and digital processor project that we [for it] -- that we invested into some time back. And second one is to increase profitability of existing business, that is the telecom tower business and the industrial asset management business, both of which are looking better. We've got a new president who came on board called Neil Elijah, who took over from the previous president who superannuated a few months back. We think these changes are helpful to the business. And we are hopeful to present better numbers to you the next quarter.

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Operator [71]

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We will take the next question from the line of Sagar Lele from Motilal Oswal Securities.

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Sagar Lele, Motilal Oswal Securities Limited, Research Division - Research Analyst [72]

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So you have seen very strong headcount addition over the last year in the People & Services business. Just wanted to get some more details on that. Is it coming in from new customers or existing customers or are you just gaining market share here? Trying to understand if growth is coming in from the industry size increasing or more from formalization. Or is this just your progress and ability to gain share from competitors?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [73]

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If I take the last full year, we added 42,000 people. Out of that, 24,000 actually came from the mining and 18,000 came from the new logos. I think the same trend is there. We -- as I said, when we are acquiring new logos and also, we are increasing our penetration, our wallets share, of the -- our existing customers, okay. So I think it will be both kind of -- one really good thing as I told you, I think we discussed earlier also, we are getting into manufacturing sector also, not a purely maybe staffing, but like in one contract we've started -- or about to start, I think there is a large contract where we'll be managing a large factory, almost 30,000-plus employees as [MSV] vendors, okay? So that will be not added into headcount, but that margin directly will hit -- it will go to the -- our profitability and will also help us, if we can be successful in implementing that strategy, I think it will help into increasing our overall margin in the P&S business, particularly staffing business.

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Operator [74]

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Next question is from the line of [Vevtek Modi] from [More HM Portfolio].

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Unidentified Analyst, [75]

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I just wanted to check on how does one read into the taxation rate for us because this quarter, there has been a tax? I mean, similarly it was there for last quarter as well as compared to last year. So how -- what is a sustainable tax rate one should assume?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [76]

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See, our India parent company, our tax rate after 80JAA, around 5% in the range, okay? But you see the overall ranges, almost today 14% -- 13%, 14%. One of the few things that are working actually, I give you one example. In some of the -- as you know, some of our Indian subsidiaries where, overall, I think revenue is less than 250,000 and wherein previously, as you know that 250,000 is that, your tax rate actually reduces to 25%. So in these few assets, there was some deferred tax actually, which was done at 33% and when the tax rate came down to 25%, so you have to adjust the deferred tax rate at the current [free building] tax rate. So that actually increase this quarter -- or overall this, H1, our tax rate to 14%. If I take on a normalized basis, I think on a -- maybe after 2 quarters down, we will be between 8% to 10% on a consolidated basis. And India, actually, 4% to 5% -- around 5%, all right? Yes. So that is how -- you can take that way.

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Unidentified Analyst, [77]

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And on the business front, are we looking to add any more verticals, which we feel that we are missing in our piece of the overall pie?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [78]

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At this point, we're not missing any vertical. We'll stick with the three that we've got, and I don't think we will do any more acquisitions to add verticals. We may add bolt-on businesses to specific businesses that we have under these verticals, but it's unlikely that we'll go and add any more verticals to Qess.

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Operator [79]

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We will take the next question from the line of Nitin Padmanabhan from Investec Capital.

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Nitin Padmanabhan, Investec Bank plc, Research Division - Analyst [80]

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Just wanted your thoughts on the Manipal business. From a seasonality perspective, does this -- the current quarter's, which is the not reported quarter, is there a seasonality because of holidays for the catering side of that business in the education segment?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [81]  
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You're saying this afterward the December quarter?

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Nitin Padmanabhan, Investec Bank plc, Research Division - Analyst [82]  
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Correct.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [83]  
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Not much. Normally, the only holiday may be 7 days or 10 days holidays, it does not impact the way our previous quarter, where the 2 months are actually -- the season -- they are in between 2 sessions, actually, the gap, but here is a short, 5, 7 days, the only holidays. Otherwise, this one and the next quarter is a full academic quarter. So we don't see any major impact that will be there.

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Nitin Padmanabhan, Investec Bank plc, Research Division - Analyst [84]  
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Sure. So from a seasonality perspective, won't TBSS and this business, second half should relatively be better from a seasonality perspective? Is that fair?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [85]  
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Yes, yes, definitely, in the facility management, particularly, the food business. Otherwise, the facility management is a steady state business. And CLM also, I think you see in Q4, you can [view Q3] festivities because calls and others have not really gone up. So yes, you can get it. And Q4, actually, our cash collection business of that quarter, that is also-- you can say that the next 2 quarters, better quarter for the Tata business.

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Operator [86]  
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Next question is from the line of [Lakshmi Navan] from [SBI Cap Securities].

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Unidentified Analyst, [87]  
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Hello?

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Operator [88]  
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Yes, please go ahead.

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Unidentified Analyst, [89]

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I have 2 questions. One, you have talked about margin improvement for the full year, [it's a bit] down 6%. And medium-range targets of, say, 8% [doesn't sound] thereabouts. If you could just highlight what -- where would that come from? How much would that would come from [core] people, staffing and then some of the inorganic ones that you're doing. Can you just give us a more detail around that? And secondly, the Tata Conneqt business that you acquired, there seems to be staggered payments and so on. Can we just throw some light? I know there is a bit of commentary around this in the annual report, but if you could throw some more light, it would be very useful.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [90]

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The margin impact will come on many fronts. Number one, we are definite that the product mix slowly is changing and it will be changing. As you know, 44% of our business still coming from the staffing business, which is a 4-point around margin, P&S business. So we expect with our technology business and facility management business, which have been doing very well, will pick up more of a contribution in the overall revenue pie. And they will contribute overall growth and that will help us to increase the margin. Secondly, a couple of business, as I [told in the GDS,] DigiCare is in very infancy stage and is slowly picking up. So that also, when it will work at the full stage margins, at 5%, 6%, 7% margins that will also help increasing the overall margin. And also Monster, which is quarterly losing almost 6 crores. So we were able to turn it around, Monster. That will also have a positive impact on our margin. So overall, if we add all these things, I think we are expecting that margin, 6%, definitely, at the end of the year, and it'll take maybe a little more time to reach what is the aspirational 8%. So that is the margin-wise. As for the CLM, that Tata [okayed] -- we acquired today, as you know, 51%. As per our understanding, that we will initially go another 20% depending on...

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [91]

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[20%, 20%].

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [92]

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19%, and another 20% will go as and when we decide to do an acquisition. And then after 5 years from the date we signed the agreement, Tata has a call option, and we also have I think a put option kind of thing after 5 years. That 30%, they can [exit]. So this is basically the contour of the deal that we have with the Tata.

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Operator [93]

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Our next question is from the line of Atul Mehra from Motilal Oswal Asset Management.

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Atul Mehra, Motilal Oswal Securities Limited, Research Division - Research Analyst [94]

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So just a couple of questions. One is where are we at now in terms of the cross-sell opportunity generally? And second question, I'll just -- yes, maybe after you talk about this.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [95]  
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As you know, we told that we set up a centralized process team. Today, we have -- I think, we initially started with 1 senior guy of our team and then we added another 2, 3 people. So that's a 4-member team currently working. And we see some of the early signs. I know -- particularly, where we are selling facility management, we're selling security. Where we used to sell security, we're selling facility management. So there a couple of cross-sell happens. There's a couple of cross-sell happened between the staffing and the facility management, staffing and security. So these are the early signs. Our idea is to sell more across all verticals, but it is just -- we are picking up. So hopefully, I think next 2 quarters, we'll will see much more traction in this sense. But initial signs are good actually. At least I think 6, 7 deals we have already done last quarter where we cross sell each other's services.

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Atul Mehra, Motilal Oswal Securities Limited, Research Division - Research Analyst [96]  
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Right. And secondly, sir, in terms of cash flows, if you were to assume broadly around 35 more days of net working capital, if you could maybe correct me on that, that if that's the right number to look at. Then if you were to look at not this year, but in the years to come, next 2, 3, 4 years, wouldn't the cash flow conversion rate to EBITDA head towards say, 60%, 70% if you were to assume a 20% organic growth rate? Is that the right metric to look at?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [97]  
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See, 2, 3 years is a long time. First, as I told you, [it was] that our first year, this year target, at least take that 30% -- between 37% to 40%. I think that is an immediate target. We are on track. We've done, I think, 34%, and should, that we end of the year, we'll stay in between 35 -- 37% to 40% range will be there. 35-day, 5-day DSO is difficult. We are today 40. As I always say that -- my guess, we'll try our best to do 30, but [India is] earlier. Sometimes 35 is a little stretch target, but we'll try and see that. But I am sure that even if at 40 or 37, 38 DSO days with the 20% gross organic growth, we can reach between 45% to 50% conversion. 60% or 70%, we have to go back to drawing. How -- we'll look into the capital position, we'll find out if they're working out. But my guess it will be 2 years down between 45% to 50%, we'll be reaching.

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Atul Mehra, Motilal Oswal Securities Limited, Research Division - Research Analyst [98]  
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And sir, when we talk about this 50% calculations also because of the fact that your cash tax paid is much higher than your reported tax rate, so...

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [99]  
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Yes, exactly. You [have to do max], you have to pay. So those are the things that they're...

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Atul Mehra, Motilal Oswal Securities Limited, Research Division - Research Analyst [100]  
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While you're reporting India tax at 5%, but your actual cash payout is about 20%?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [101]  
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It is a definitely, yes. As you know, particularly this -- I'll give you an example. This year, first 6 months, my [TD] is 82 crores, no? 82 crores. So that is the money always -- even if it is 0.6% we get a lower tax, but our volume is so large. It gets that kind of money get stuck with the government initially.  
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Atul Mehra, Motilal Oswal Securities Limited, Research Division - Research Analyst [102]  
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And sir, just one final question on tax once again. We understand that 80JJAA could continue or may not continue. We don't know about that, but assuming it continues, is there a point in time when we'll be utilizing this deferred taxes that we pay out today or -- because if this were to continue indefinitely, there will be no opportunity for us to take credit on that, right?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [103]  
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The max credit [after that needed to] we'll be able to [replace.]  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [104]  
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The max credit of up to 6 to 7 years, we'll be utilizing this -- be able to utilize those [days] -- up to [6]...  
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Atul Mehra, Motilal Oswal Securities Limited, Research Division - Research Analyst [105]  
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If the taxation regime continues as it is, 80JJAA, then there will be no opportunity for us to utilize it because most of (inaudible). Is that the right interpretation?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [106]  
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Just one second. I'll give it to my finance team just to clarify this.  
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Unidentified Company Representative, [107]  
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This is [Arun] here. See, at the current rate as you had said if the regimes -- tax regimes don't change, we are expecting after 6 to 7 years, the [max credit quarter] has been accumulated in the book so we will start -- slowly start utilizing. So that's the outlook right now.  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [108]  
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Atul, I request you just connect via Sangram offline and we'll give you a detailed explanation -- calculation, okay?  
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Operator [109]

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Our next question is from the line of [Dipan Mehta] from [Elixir Equity].

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Unidentified Analyst, [110]

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Just one questions on the shares, which we'll we get from multiple shareholders? Any timeline you can provide us or [we direct] to Thomas Cook?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [111]

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Thomas Cook (inaudible).

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [112]

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Yes, I think April 1 is the currently effective date, April 1, 2019. And we think by that time, we'll be able to -- it is already in the stock exchange, and it will be -- you know the process, if you go to SEBI and then is the NCLT. So by March 31, our [budget] -- our guideline that we'll try to close it. So April 1 is the [as on the] date, the effective date.

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Unidentified Analyst, [113]

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And second question, has any income tax assessment been completed after you've taken this 80JAA benefit?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [114]

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No, as of now, not -- after taking I think this is done -- not yet.

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Operator [115]

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Our next question is from the line of [Rajan Davdi] from [SBI Cap Securities].

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Unidentified Analyst, [116]

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What was the adjustments that were made to PAT to arrive at the adjusted tax figure of 74 crores?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [117]

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The adjustment is because of the NCI put option and amortization of customer [delivery] for the period of the quarter to FY '19.  
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Unidentified Analyst, [118]  
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What was the amounts? Can you tell me?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [119]  
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NCI is around 7 crores. And the customer amortization is around 9 crores.  
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Unidentified Analyst, [120]  
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9 crores. That is 16?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [121]  
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And the customer amortization, basically, you create a deferred tax on that. It used to be -- so you have to take the date of the deferred tax impact to calculate that. [Just turn PAT]. So for 9 crores, if you take 34%, only 66% of that, so that will come around 6 crores and then -- you can take 6 plus 7, that is 13 crores so that is the adjustment that has been made here.  
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Unidentified Analyst, [122]  
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Okay, okay. And also in People & Services business, what will be the blended markup rate now? Per associate per month?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [123]  
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It varies a little bit, between 750 to 800 -- in that range.  
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Unidentified Analyst, [124]  
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Can you also give a color as the range of sectors that might have a higher markup than this and the sectors that might have a lower markups than this?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [125]

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No. I know that questions we've answered that is very -- there is no such major difference. There's maybe a little bit of difference here and there. Customer-to-customer, there's difference, but the sector-wise, difference is, we don't see any major variation in the sector-wise difference.  
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Unidentified Analyst, [126]  
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Okay, okay. And also, you said that we are not doing any other smart city projects. The BEST bus project in Mumbai, is that a part of smart city or is there some other project?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [127]  
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That is -- one of the 2 projects, actually, we're doing. That is also in the implementation stage. So these are 2 projects that we have currently, definitely we'll do. But not anything that is -- but not particularly smart city, there's a -- BEST is a separate here -- transportation project. These are 2 projects we have currently.  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [128]  
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Similar vintage to -- in terms of implementation to the smart city project. That's about the similarity.  
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Unidentified Analyst, [129]  
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But this was awarded very recently, right? The BEST bus project?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [130]  
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Yes, that project is going on. There's a couple of months, I think, 5 months already over.  
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Unidentified Analyst, [131]  
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Okay, you stated there was a news item that the partner company that you were working with, they had some irregularities with the Delhi transport authority. So I'm not sure like if you can comment on that, whether...  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [132]  
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If you could come back, the specific  
(technical difficulty)

we'll see that. Okay. Talk to Sangram, we'll see there.

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Unidentified Analyst, [133]  
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Just one last. Which entity will be executing this project?  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [134]  
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BEST project?  
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Unidentified Analyst, [135]  
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Yes.  
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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [136]  
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This is being done by Qess directly.  
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Operator [137]  
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Next question is from the line of Balthazar Florentin-Lee from Sloane Robinson.  
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Balthazar Florentin-Lee, [138]  
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Can you help explain your strategy for Monster and how that contrasts with the business model at Naukri? And what you're going to do to get it from loss making back into the realms of profitability? And where you think margins will settle once you have time to fix and grow the business?  
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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [139]  
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So there are -- sequentially, there are 2 or 3 things that needs to be done at Monster to be -- for it to become an effective competitor to some of the industry-leading players right now. The first thing is that we have to fix the product in terms of its search capability, its technology and its back end, which is a process that's ongoing and some of the increased traffic that we're seeing is because the users are able to adapt -- are finding the new technology more conducive to their search process and the results are better than what they had experienced in the past. So the first thing is that. The second is we have to advertise or we have to market the brand a bit to get more users to come to our site, which we do not want to start until we are able to get the product completely fixed. And that's about less than 2, 3 months away. So that's the second part. The third thing is differentiation. In differentiation, we will do that -- that is a phase 2 of the product development plan and that will include a range of things that Monster would be capable of doing, which competition does not have. We don't want to talk about that right now in a conference call, obviously. But we think we will have some industry-leading innovation in terms of how a job search is conducted and how it will make the process of finding a job closer to your aspiration, more easily through our website. So that's really the outlook. In terms of the

margins of this company, we are right now -- I think we're losing about 6 crores in a quarter right now and it is going to plan. It's not a significant number to impact us in terms of our overall profitability. We think we'll have to put in some more money to drive the marketing and sales efforts of the company, which we'll start running post January or February once the product is fixed. So on a steady state basis, at a baseline, this company should be able to contribute upwards of about 20% to 25% in terms of EBITDA margins.

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Balthazar Florentin-Lee, [140]  
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And what sort of revenue opportunity do you see for the business then, if we imagine where we are in 1 year or 2's time?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [141]  
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So it's possible that once the product and its features have been accepted by the market, we should be more than -- we should be able to more than double the revenues of the company in the next 12 to 18 months time.

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Balthazar Florentin-Lee, [142]  
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And where do revenues stand today?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [143]  
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So I think all put together, it's about 150 crores or so.

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Operator [144]  
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Next question is from the line of [Raj Mohan], individual investor.

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Unidentified Participant, [145]  
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You said you [exited] 6 points in EBITDA this fiscal due to the increased levels of acquisitions, which you're digesting. There's been a slack in the growth trajectory of EBITDA margins. In this context, as we consume the new higher margin businesses, are you more clear about the timelines for achieving your aspirational target of 8%? By which fiscal can we expect you will hit that target?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [146]  
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That's a good question. We've been working on the team of being an 8% EBITDA margin company for the last -- almost 6 to 7 quarters right now, one. Second is, at 8%, we will become in the business services space perhaps among the best players worldwide in the sense that there are not many companies that are doing really higher margins greater than eight percent. So while this remains a directional target for us, I don't want it to become an obsession that will change the way

we will run our business or take management positions in terms of investments we make. What is also important to us is the return on capital we generate, influenced by the amount of cash we're generating from the business and that will occupy as much attention as the margin expansion itself. Even if we are at a slightly lower margin at 8%, if we can generate the cash that will drive the EPS of the company, we'll be in a comfortable position. So the slightly long answer to your question is that, we think 8% is possible. It may take us maybe 2 years time, but even if it does not, our underlying goal through this process is to ensure that earnings of the company are going up.

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Unidentified Participant, [147]  
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Okay. You also internally set the 2020 target of \$100 million EBITDA and INR 73 to USD 1 today of rupee with the -- and with weakness persisting within market currencies, are you still confident of the \$100 million figure by fiscal 2020?

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [148]  
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So the dollar has been a little bit unkind to us. It's been galloping at rate that we did not see foresee. When we set the target, the dollar was about 65 rupees. So we are still going by the goal of -- and we are largely rupee-denominated in our earnings, so we have to peg ourselves to a number and we pegged it 65. Our goal is to reach INR 650 crores, which was then \$100 million when you set the target. I think that's on the radar, and that's well within our range.

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Unidentified Analyst, [149]  
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I understand. And then finally, to broadly understand how the revenue share would be between verticals will shape up as you go full throttle in higher margin segments, would you have enough, sort of a template to give us by, say, FY '20 or the next 5 years? This is the kind of vertical -- this is the kind of revenue share between verticals that Qess will be having as an entity.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [150]  
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It's very difficult to predict, but if you'd ask me, ideally, what we want to see after 2 years down the line, I think we would like to see our people and services business around 35%. Our technology business from 34% to currently around 40% -- between 40% and 45%. And deputy management, I think, currently, 15%, even 20%, so between 20% to 25%. And I think Industrial, currently, what -- they're 6%. They may be -- from an overall margin, and they thereby can be contracted, maybe around %5, or a little less than 5%. So that is the ideal, I know, map what we have in mind. And we'll see how we can progress that.

And that will actually if we can do it, I think 8% will be in a striking range. So that is there.

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Operator [151]  
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Next question is from the line of [Ravi Shikahn] from [Mutub] Family Office.

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Unidentified Analyst, [152]  
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Maybe first, one is that in your balance sheet I see that there is some debt that the company has as well the developed cash. Is there any reason why we have taken that and not retained the debt?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [153]

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Use of cash, what we have out of that, I think, some around -- you can confident, maybe INR 300 crores cash, which is IPP cash is still there, but it just can be available for the industry. The balance cash is a particularly rolling cash, okay? And as we are growing the business, you'd see our debt also last 6 months came down almost INR 200 crores. So it's not that debt is increasing, but that cash we need in a day-to-day basis to run our business because in a month there is always a surge of cash.

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Unidentified Analyst, [154]

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Okay, okay. And a couple of other questions. One is that, if I see the list of subsidiaries, quite a few of them are actually domestic subsidiaries. Is there any plan on rolling up all the entities into 1 entity? From a taxation point of view do you see it as beneficial from a taxation point of view?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [155]

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So if you follow our theories about many board meetings after the announcement, we already announced 4 subsidiaries, that is Aravon, Coachieve, Immersive (sic) [Master] and CentreQ. They are the full subsidiaries, their margins board has approved a proposal with Qess, with the parent. So that process has started and we'll take may be slowly all the subsidiaries as and when we require.

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Unidentified Analyst, [156]

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One last question in my side. So I think there's difference between the reported part and the adjusted part because of the non-controlling interest and the amortization of the contracts, so how should we look at this? I mean, is it a recurring sort of thing? Or I believe that the put option is only when you acquired the remaining stake in the (inaudible).

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [157]

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Yes, it will be maybe there and it will not go up immediately, but once -- like Comtel, you are correct. So that whatever the Comtel MCA production that has been reduced, that will not be there from the next end of quarter.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [158]

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Quarter.

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [159]



Like as when and where, we are acquiring, all of them become 100% subsidiaries, so things will go up.

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Unidentified Analyst, [160]

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Will the amortization also, that will continue developing, those are for the contracts that the entities have with their customers?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [161]

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Amortization, we continue as long as -- there's amortization, there's a period, no, over a period of 6 year or 7 years. When the period will exhausted, then amortization also will go up.

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Unidentified Analyst, [162]

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Okay. Is this only for the entities that you acquire or is it also for your stand-alone entities, the amortization?

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Subrata Kumar Nag, Qess Corp Limited - Group CEO & Executive Director [163]

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No, no, this is the only for the company we acquired. This is not for the others.

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Operator [164]

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Well, ladies and gentlemen, that seems to be a last question for today. I would now like to hand the conference over to Mr. Ajit Isaac for his closing comments.

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Ajit Abraham Isaac, Qess Corp Limited - Chairman & MD [165]

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Sure. Thank you. So as a summary, the focus of the company is in execution, in ensuring that sales continues to grow at the rate at which it is growing. We've had 26% for the last quarter in organic growth. We are hopeful that we can keep that pace of growth going. We want to expand margins through reduction in our cost to serve and through the product mix that we are engineering in our -- across the portfolio. And lastly, cash generation remains the focus area for us. We want to go up, as it was mentioned earlier in the call to close -- as close to 40% as possible this year. And these remain our immediate goals in terms of driving shareholder value.

I want to thank all of you for joining this call, and for the time you spent with us. We're happy to encourage all those of you who want additional information to write in to Sangram who heads our investor relations here, for additional information and we'd be happy to share what you want.

Thank you, ladies and gentlemen, for the call today.

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Operator [166]

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Thank you, very much. Ladies and gentlemen, on behalf of Axis Capital Limited, we conclude today's conference. Thank you.