# "Allsec Technologies Limited
# Q4 FY2022 Earnings Conference Call"

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**Moderator**: Ladies and gentlemen, good day, and welcome to Allsec Technologies Limited Q4 FY2022 Earnings Conference Call hosted by IIFL Securities Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vidit Shah from IIFL Securities. Thank you and over to you Sir!

**Vidit Shah**: Thank you, Inba. Ladies and gentlemen good morning and thank you for joining us on the Q4 FY2022 Earnings Conference Call of Allsec Technologies. It is my pleasure to introduce the company's senior management team who are with us today to discuss the result. We have with us Mr. Ashish Johri – CEO and Mr. Raghunath Parthasarathy – CFO. We will begin the call with opening remarks by the management team, thereafter we will open the call for a Q&A session. I would now like to hand over the call to the management to take proceedings. Thank you and over to you, Sir!

**Ashish Johri**: Thank you. Good morning to everyone. This is Ashish Johri. Thank you for joining the earnings call today. The results and presentations have already been uploaded on our website. Anything we say, which refers to outlook for the future is a forward-looking statement and must be read in conjunction with the risks that the company faces. These uncertainties and risks are included, but not limited to what we have already mentioned in the annual report. I will start with a brief overview of the financial performance and follow that with key updates on the business, post which we will be happy to take questions from you. We keep our remarks brief spending more time on the Q&A.

Coming to the financial performance, we have achieved revenue of 85.4 Crores during the quarter, which is a growth of 3% over Q3 and a robust 16% growth over Q4 FY2021. Our EBITDA was 23.6, which is the growth of 7% quarter-on-quarter and 13% over Q4 FY2021. Our net profit stood at 17.5 Crores, which is 33% growth over the previous quarter and 27% growth over Q4 FY2021. For the year, we achieved a revenue of 317.2 Crores, which is 15% higher than FY2021. It is important to note that since H1 which is when we had a previous call, we have added Rs.168.6 Crores of revenue, which is a 13% growth between H1 and H2 reflecting a very strong growth momentum.

Our EBITDA for FY2022 stood at 80.2 Crores against 65.9 Crores in FY2021, this is a 22% growth year-on-year. With the headwinds of COVID behind us, we see increased opportunities across both our businesses and FY2023 promises to be a stellar year. Let me kick things off on the strategic teams and the business updates from here on. About a year ago we set up a few strategic teams. Let me update on all of those. I am glad to say that we have seen tremendous progress on each of these teams. Le me detailed this out to you. The first one was a focus on improving top line growth. As mentioned earlier, our revenues have grown 15% year-on-year, this is in spite of Q1 FY2022 being impacted by the COVID wave-2 and our volumes in domestic business dropped and also the sales pipeline in both domestic and international business slowed down in that quarter.

In spite of that impact, we have had a good year. The key element of the growth is from the DBS International, which has been a success story in the current year. We have added eight logos with an ACV of almost 28 Crores, largely driven by North America. The domestic business added six logos with an ACV of 13 Crores whereas HRO business added Rs.13.5 Crores in EPV. Our investments in sales in both North America and the HRO business are yielding good results. We not only have a strong sales team now in both businesses in place, but we are also in the last one year matured our sales prophesies and pipeline significantly.

We have a very strong pipeline in both businesses headed into the current financial year. HRO also had a good year with revenues growing 17% year-on-year, this in spite of a significant impact in Q1 last year because of COVID when growth became muted lot of the decision making at customer's end was delayed in that year, Q1 wins got delayed by a few quarters and many prefer to wait out the pandemic situation that was unfolding at that point. In spite of all of that we have finished the year with the quarter-on-quarter growth of 11% and a very strong pipeline headed into FY2023. Our cross-sell initiatives continue to bear fruit along with Quess Sales Groups through the year. We have been able to reach out to more than 50 qualified leads and have had a strong conversion ratio on Quess customers. This will continue to be a focus area for us for the coming year.

Our cash position and collections continue to be strong. Our OCF for the full year stood at 64 Crores representing a convention of 80% of EBITDA. On the HRO platform enhancements and product development all those initiatives continue to be on track. Our payroll platform modernization is progressing at a very rapid phase. We have faced issues due to attrition and IT that is norm for the industry, but all of that is behind us and we continue to be on track for Q2 on boarding of new customers on our payroll platform. The HRMS platform will take a little more time to become a comparative product that will probably towards early Q4 financial year is when that will be market ready.

Moving onto the detailed business segment performance, let me start with the HRO business. The HRO business continues to perform well end the quarter at revenues of 31 Crores, which is a growth of 11% over previous quarter. We have added 43 new customers during the quarter. Our EBIT in the segment also grew by 24% over Q3 and 32% year-on-year. This was driven largely by the yearend tax related work and one time implementation revenues from customers that are going live in Q1 of this current financial year. We continue to invest significantly in the digital innovation in this business like I mentioned earlier, we are investing significantly in both on transforming our payroll platform and our HRMS offerings and both of those initiatives continue to be on track.

This business also has a very strong pipeline. It is a historical high pipeline that we are seeing at this point, our closure rates, and win rates have also improved significantly in the last one year, so we remained very optimistic about this business. We also had a very significant milestone in this business where we started processing a million pay slips per month and that has been the trend for the last six months and our infrastructure has proven itself capable of scaling up and meeting our client's growth requirements.

I move on to the DBS business. The DBS business, which was most affected by COVID in FY2021 year-and-a-half or two years ago also had a moderate impact in the first quarter of FY2022 because of the lockdown.

The domestic business was most impacted, but since then in the last 9 months to 12 months, it has bounced back to close the year at a growth of 8% over FY2021. From here on now that the COVID impacts are behind us, we expect the business to grow faster in this current financial year given the current pipeline and the volume outlook from our existing customers. On the international side, DBS international business continues to have a great year; they had a great second half of the year as well with the addition of more than 30 Crores in ACV. The business grew 16% year-on-year. The current pipeline in this business remains at record levels and with a very strong and stable sales team in the business now, we believe that we will continue to convert as we have in the last one year. We also expect to increase our wallet share with the existing customers in the current year.

I would like to close my comments with focused areas for the upcoming year. We are outlining three priorities; priority one is its accelerating top line growth in the North America DBS Business and like I mentioned we have a strong pipeline to support that ambition. We have a very stable sales team that we are expanding. The second priority that we are outlining is increased international footprint for the of HRO business by India Manila continue to be the dominant geography for those business. We will invest more in other regions from a sales effort perspective. The third priority is speed up and monetize our investments in the HRO platforms, both the Payroll and HRMS.

With this, I conclude my updates and thank all of you for your support and also for being here today. We are happy to take questions at this point. Thank you.

**Moderator**: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Jatin Kumar from Alpha Capital. Please go ahead.

**Jatin Kumar**: Thank you for taking my question. Sir, my first question would be, we have seen a very good growth in this Q4 quarter, but as I see Q4 is generally a better good quarter for us because there is a seasonality out here right in HRO business, would you agree with that?

**Ashish Johri**: Yes, that is correct. There is a seasonal growth in Q4 in the HRO business that we see and we saw it this year as well.

**Jatin Kumar**: Would you like to comment on how much of that is just seasonality, how much revenue is extra part?

**Raghunath P**: This is Raghu here, so if you look at it purely for the HRO business, you look at the Q4 FY2021 versus Q4 FY2022 then you will see the real growth that happened in the business that will be your best way of looking at it; Typically in Q4, we probably have around 4% to 5% of revenues that comes from the yearend tax related work; this year that is also increased because we have had a lot of customer's implementation cost that has come in, the recurring revenue of those will kick start in Q1 FY2023, but your sense of how the business has grown, you will be able to figure out from Q4 FY2021 verus Q4 FY2022 HRO growth.

**Jatin Kumar**: Sure, Sir and my next question would be, as in a lot of IT companies are seeing attrition and pay hikes because of its margins are getting hit for them, but our margins are stable, so what is our attrition level and are seeing a similar kind of pay hikes and what is your guidance on margins, Sir?

**Ashish Johri**: We are roughly at a ballpark around 4500 FT company at this point and the number has been stable for about a quarter or so, out of that this number is dominated by the BPO division. The IT and HRO division contribute to no more than 500 to 550 people out of that entirety, so significantly the IT teams and the HRO teams are significantly smaller component of a head count. Now those two teams and HRO and IT have seen vision in line with industry and we have seen wages go up, we have done market corrections to counter attrition, etc., but at a macro level the impact is low simply because of that head count is low, the HRO business, you got to remember that the HRO business is the platform business, it is not as much of an FT driven business, hence for every incremental revenue that we bring into that business we see a larger impact in our EBITDA growth, and that trend will continue for some time where EBITDA and HRO business will continue to grow, in spite of wage pressures in that division and in the IT division, so yes, in a nutshell the impact is there, but it is not significant given the nature of the business overall.

**Jatin Kumar**: We made 25% EBITDA margins for the full year. Do we expect similar kind to continue?

**Raghunath P**: I think FY2022 has been a pretty good year, 25% margin is definitely an aspirational one, but depending on, as you mentioned, there are multiple forces especially on the employee cost you will see our EBITDA normally between 20% to 25%, it also depends on the mix that we end up for the year between the HRO and DBS business. The more DBS business is concerned, you will see the margins slightly at the lower end of the 20% to 25% spectrum that I spoke about.

**Jatin Kumar**: My third question would be on dividend, as in last year we did a very good dividend and despite paying that we have good enough cash and we made good flows those in this year also, so can we expect similar kind of dividend to continue in the coming year last?

**Raghunath P**: Yes, last year was a unique year because we accumulated cash over a period of time and the reason why we accumulated cash flows in the hope of going for something inorganic growth and we waited over it for a couple of years, but we were not able to form up an acquisition and therefore the board decided that it would be in the best interests of the shareholders to declare the dividend. The board continuously monitors this particular position and we will look at what needs to be done from best utilization of cash that is available with the company. The dividend of last year definitely was a one of in terms of the quantum, but the company will continue to give dividends every year.

**Jatin Kumar**: Sure, Sir, my last question would be in terms of growth as in you said, pipeline is quite good, so we expect 15% to 20% to continue like we had in this year?

**Ashish Johri**: In both businesses, the HRO and DBS, the pipeline growths look good. We do not issue any guidances on this, we expect to maintain the momentum going forward.

**Jatin Kumar**: Thank you and all the best. I will join the queue.

**Moderator**: Thank you. The next question is from the line of Sugandhi from InCred Asset Management. Please go ahead.

**Sugandhi**: Thank you for taking my question. I just wanted to understand the ACV wins that we had last year of 40 Crores, if I understand the simplistic calculation on the incremental revenues, how do we read into the renewal rates for your existing business as compared to the new deals won through the year, so around 16 Crores of revenue added in the DBS International Business and around 9 Crores added in the domestic as the against that ACV number or is it just a matter of timing has there been some delaying in implementation of some of those revenues that is my first question and the second question, could you give us a colour on the other operating expenses and what are the different moving parts there because your gross margin seems to improve, but some of the other opex have gone up and what is the more realistic number to expect going forward?

**Ashish Johri**: Sugandhi, this is Ashish, so I will take the first half of the first question. The nature of both DBS business and our HRO businesses that bulk of our contracts tend to be multi years. There are very, very few contracts we have, which are a year or perhaps low, and our renewal rate is very, very good, so the difference between ACV and revenue that you see is purely because of timing, it is not because of customer attrition.

**Sugandhi**: There is a typical tenure of these contracts as you know out of ACV that we have got last year, could you give is a medium range?

**Raghunath P**: Yes, typically two to three year period is what we do; To add onto what Ashish mentioned, there will be some delta in terms of existing customers based on the customers volumes, so we will see quarter-on-quarter movement especially in the BFSI segment and even in the FMCG segments where Q3 DBS seems to be higher in volume when you have the festive season both in India and North America, so that also has a impact, so that is why it is not easy to just add the ACV to the revenue because of the movements in the existing customers volumes. To answer to your next question which is on the other expense, so typically the other expense that we have will be the facility maintenance expense, professional fees and stuff like that. You would see a movement from FY2021 to FY2022 with more and more of people coming back to office and working from office, you will see the kick in the facility maintenance and expense and stuff like that but our growth rate in the other expense will always be below the growth rate of our employee cost and that will continue to happen, which is what will lead to a higher EBITDA, so if you see historically our EBITDA will grow faster than our revenue because of our handle on the other expenses per se. Employee cost tend to be at around 85% to 90% of revenue growth, other expense typically growth at 65% to 70%.

**Sugandhi**: EBITDA for the year is that realistic number to expect going forward or it could be slightly higher than that?

**Raghunath P**: No, it will be more or less there, obviously there are cost that go up, so for example transportation cost is an area that has gone up over the last couple of months, so you may not probably seen the full impact of that in Q4, but we have seen that going up, but as I mentioned the incremental costs on those will be much lesser than the growth that we are expecting in revenue so effectively this will lead your positive resource.

**Sugandhi**: Sure, thank you and could you also explain what is the moment in DSO and give us little more clarity on the nature of the hedging of the receivables because; is there any COVID-related remnant pressure in any of their accounts because the situation is incrementally improving?

**Raghunath P**: As Ashish mentioned I think most of the COVID-related issues are behind us and to be honest Allsec has actually done well when it came to DSO during the difficult periods of COVID, our DSO or DRN was higher more by virtue of some of the large payments from a couple of our datas got slipped to the first week of April, in fact one last payment came 15 minutes after midnight, so that is the only reason we do not have any accumulation in aged receivables and we have not taken any unusual hit to our receivables in terms of approaching asset.

**Ashish Johri**: Our current DSO is back to normal by the way.

**Sugandhi**: Sure, excellent. Thank you so much and congratulations on a great quarter, that is it from my side.

**Moderator**: Thank you. The next question is from the line of Vidit Shah from IIFL Securities. Please go ahead.

**Vidit Shah**: Sir, you alluded on the three pillars of growth across North America HRO segments going forward, can you shed some light on what rate the industry is growing at and how is your capital in market share across in these businesses because North America as I understand is not a very high-growth market.

**Ashish Johri**: In the North America business, let us talk at DBS first. The DBS North America business last year we clocked about 16% CAGR in terms of growth and that was when the first quarter of the year was impacted and we were coming out of a year prior to that where the North American market was shut for sales pretty much, right. In spite of those two things, we ended up achieving around 16% growth in revenues year-on-year. I expect going forward those growth numbers to sustain themselves and perhaps improve from there on. Industry wise, we see similar growth numbers coming out of the IT and ITES industry and we expect to maintain our momentum at industrial levels. On the HRO side, we ended up around 17% year-on-year growth in terms of revenue and the HRO business was impacted more because of the COVID wave-2 in India and Manila for that matter, so this business was more impacted than DBS in the last one year. Those pressures are also behind us, so I expect the growth numbers to also improve and sustain over and above the 17% that we achieved last year.

**Vidit Shah**: Okay and on the HRO side what would be the market?

**Ashish Johri**: There is not much great data on this because very few of our competitions is public, but anecdotally we hear that the industry grows to the extent of 7% to 8%, so our growth in this business is over and above what the industry achieves.

**Vidit Shah**: Got it and Sir, just in terms of the cash balance that is there on the book as of March 2022, how much of that is in Manila and how much in India?

**Raghunath P**: Because we declared dividend from Manila during the year, the cash balance in Manila has now come down. As we speak will probably out of this 128 Crores that are there around 35 Crores is in Manila and US, the balance is now all in India.

**Vidit Shah**: Okay fine, that is it for me.

**Moderator**: Thank you. We have the next question from the line of Swapna Kamath from NSFO. Please go ahead.

**Swapna Kamath**: Sir, I am new to this company, I just wanted to ask you that is this HRO business entirely platform business or how is it, the composition?

**Ashish Johri**: Yes, it is entirely a platform business.

**Swapna Kamath**: Okay and Sir, when you say that COVID impacted the revenues here, what is the exposure to the retail industry, I mean what was the impact when you are talking about the ?

**Ashish Johri**: The impact was from a sales perspective where sales decisions got delayed.

**Swapna Kamath**: Got it, so adding new logos and new contracts, etc.?

**Ashish Johri**: Yes, that got pushed out by a couple of quarters.

**Swapna Kamath**: But there is no impact on your existing?

**Ashish Johri**: No, there is no revenue impacts from COVID or any customer churn as a result of COVID.

**Swapna Kamath**: In terms of your DBS business, does it also have some platform or how is the nature of this customers or is it completely a time and material?

**Ashish Johri**: This business is like any standard BPO, which largely means, it is time material, but that said we also bring technology and point solutions to our customers, we also have alliances with standard market platforms, CRMs, etc., etc., and we bring those to our customers as and when needed, but by and large this business is working on customer systems.

**Swapna Kamath**: Thanks a lot, Sir.

**Moderator**: Thank you. The next question is from the line of Raghuram N S from Eurindia Funds Management. Please go ahead.

**Raghuram N S:** I had a couple of questions, one was to Raghu, on the right of use asset, there has been a very significant increase in the quantum that has been shown in the latest balance sheet on the right of use asset, any particular reason for that?

**Raghunath P**: Yes, so basically it is a renewal of our premises in Chennai, which is our largest center. The renewal happened in Q4 and obviously the way right of use asset works is that over the terms of the agreement the right of use asset has come down and whenever we either get into a new building or we renew a premises center, it again goes up. You will also see a corresponding increase in the lease liability current and non-current portion in the liability side.

**Raghuram N S**: Yes, I saw that, that is okay. That was the only fair statement I needed. On the business side, Ashish, obviously there has been a slight dip in the domestic businesses, is it something in Q4, is that something that because of the third wave or something and how is it looking going forward?

**Ashish Johri**: Raghu, the Q4 domestic business has a blip in terms of volumes, seasonal volume is coming down, now as we have exited Q4, those volumes are coming up and starting to grow so it is a standard seasonal ups and downs, nothing much more than.

**Raghuram N S**: So, you do not see any big impact of it going forward?

**Ashish Johri**: No, nothing that will sustain beyond Q4. It is just standard seasonal ramp down that happen. Remember, during the Christmas times and little before that the BPO business ramps up in anticipation of the seasonal sales. As season ramps now, those FT numbers start coming down temporarily and then against start building up as we exit Q4 for the rest of the year, so this is standard seasonal volumes are coming down, which will come back.

**Raghuram N S**: On the HRO side, Ashish, obviously one could understand that the impact to a large extent for whatever happened or did not happen during the last year was maybe because the existing clients and the existing contracts, employee number did not grow significantly, how is that looking this year? Obviously, as you said effect of COVID is behind us and hopefully the Indian economy as well, so how is the volume growth on existing customers looking?

**Ashish Johri**: On the HRO side, all existing customers and our customer base queue is very heavily towards white collars, IT, and ITES, so this industry we are seeing headcount growth return to our customers and we expect the trends to continue this current year as well since second half of the year headcount has started to grow with our customers and I expect the trend to continue.

**Raghuram N S**: Just continuation of that question, out of this 17% that you mentioned that HRO grew, is there any way of categorizing it as growth from new customers and growth from existing customers or is that something that is tough to answer?

**Ashish Johri**: Right now, tough to answer, we can come back with those numbers.

**Raghuram N S**: Okay. My last question is on the overall growth outlook for the year. Obviously, Quess made a big analysis just about 20 days back and they gave out their outlooks for each of their divisions including the Quess GTS division, which also it is a part of. They very clearly mentioned that they are specifically looking at about 22% to 24% of growth from FY2022 till FY2025, I think they gave out, you call it aspirational, you can call it some kind of guidance or what, but this was something that was made public during the analyst day. Obviously Allsec being a part of the Quess GTS portfolio, is that something that is in line with what you guys are looking at in terms of overall growth for the next three years?

**Ashish Johri**: We historically and even now, we do not issue forward-looking guidance in terms of growth rates and EPS, etc., given our scale, so we will maintain that stance and we are a relatively small part of overall GTS, but that said I expect our growth from here on to only improve and be at standards that Quess has issued, so I do not expect any deviations.

**Raghuram N S**: They also mentioned on the EBITDA side also there were about 14% overall and they wanted to grow to about 16%. Obviously, you guys are one of the biggest contributors, you may not be the very high contributor on the revenue side, but on the EBITDA percentage contribution side, I think Allsec will come out maybe at the highest end of Quess GTS portfolio, so is that also an indication that you do not see too much of an impact like what one of the early questions was from, too much of an impact on EBITDA going forward, you guys have enough keywords, which will allow you to maintain margins?

**Raghunath P**: As I think I have mentioned earlier as long as we maintain the current mix in terms of both our business and grow organically in both, we should be able to maintain our EBITDA margins. There will be pressure that will come here and there and obviously you have seen in the past that some quarters maybe better than the others and that is how it works because we have a smaller base. I would not want to comment on the Quess outlook, but from the Allsec management perspective, we are at a very good space as far as our EBITDA is concerned and I do not see too much room in the EBITDA growing, but we will definitely ensure that we are protected in that band in terms of the EBITDA margin.

**Raghuram N S**: Thanks for all the answers, Ashish and all the best.

**Moderator**: Thank you. The next question is from the line of Dipen Sheth from Buoyant Capital. Please go ahead.

**Dipen Sheth**: Thanks for the opportunity. I hope I am audible?

**Ashish Johri**: Yes, please, go ahead.

**Dipen Sheth**: One of my questions related to the bump up in the right of use assets has been partly addressed in the sense that these are lease renewals, so are these in India or the ones outside?

**Raghunath P**: The ones that caused the bump actually both India and Manila. Manila also was due for in January, so that is where you see that bump.

**Dipen Sheth**: Right Sir. From a materiality perspective 20 Crores going out?

**Raghunath P**: Manila is 650 seater, India is almost 2500 people.

**Dipen Sheth**: Right and so one of the things when you know your cash rich and you distributed dividends after holding back patiently for a while and all of this, so you are going through capital allocation cautiously enough and that is appreciated, but should I assume that leasing makes more sense versus buying out and that is equity economics has been worked out?

**Raghunath P**: Absolutely and the advantage of lease in a business like us is proven where we are open to vary source volumes being up and down, so we have done our maths on that and we continue to believe that leasing gives us the best opportunity to maximize our capital allocation.

**Dipen Sheth**: So, it is the flexibility in addition to the cost benefit that you are seeing?

**Raghunath P**: Correct.

**Dipen Sheth**: Okay and my second question would be on the rise of close to about 6 Crores in the other intangible assets, can you share some colour around this?

**Raghunath P**: The other intangible asset is basically we worked with, we are doing on the HRO modernization program, which Ashish talked about both the payroll modernization and HRO modernization; both of them are going at full phase and we hope to complete them in the upcoming financial year.

**Dipen Sheth**: Should I treat it like a product development expense?

**Raghunath P**: Correct, it is a product development expense. It will get capitalized once the platform, we do not call it as a product, we call it as a platform, but we will capitalize it once the platform is ready for commercial consumption.

**Dipen Sheth**: What is the risk that you are running in terms of this not eventually being ready for commercial consumption or commercial revenue exploitation? You will still have to take a write off on it irrespective of whether you are able to generate revenues out of it, right?

**Raghunath P**: If you go through a modernization process, this is standard in any product development program. We have looked at what are the cost benefits for each of these and we go through a test even from an Indian accounting standard perspective in terms of what are all the criteria that some of the product development used to tick off before it can be taken as a work in progress intangible asset itself and these have come through all that tests. Given that the current platform that is used in HRO is similar home-grown product, which evolved over multiple years. It started way back in 2002 to 2003 and it was always looked at incremental patches. This is the first time that Allsec has embarked on a ground from zero base product development and it goes through the agile methodology and gets tested at each and every stage, so we are very confident that when the final output comes, it will be ready for commercial launch and given that we are market leaders in the HRO segment, we will definitely be able to market and monetize this particular investment.

**Dipen Sheth**: Okay, will you allow me to slip in one more question, Sir?

**Ashish Johri**: Yes, please go ahead.

**Dipen Sheth**: Alright, so I know strictly speaking you are not like a software services company, but you do have high manpower requirements and these are adjacent kind of skill sets very often to what we see in the software industry, so are you facing a challenge on hiring and compensations and all of that?

**Ashish Johri**: I had addressed this question partially a few questions ago, see our HRO and IT teams are in the order of 500 people of the total 4500 plus headcount that we have. On this 500 headcount in these two divisions the IT and HRO, we are seeing higher attrition and salaries going up, so those pressures are there, but they do not show that the overall company level because it is a much smaller number right, so that is one, second is in anticipation of continued pressure from hiring we have done a lot of things to alleviate any pressures and protect our product engineering and product development initiatives from all of this, so we have rich pipeline of vendors and third party service providers that we can tap into both the headcount as well as components of product engineering, so that ecosystem we have created just to insulate ourselves from a critical initiatives.

**Dipen Sheth**: Thank you.

**Moderator**: Thank you. Ladies and gentlemen, that was the last question. I now hand the floor back to the management for closing comments. Over to you, Sir!

**Ashish Johri**: Thank you so much everyone for joining for our annual ritual. This has been a great year and as we end the year and head into FY2023, I am heartened by the sales maturity that we have brought in over the last year, all the product engineering initiatives that are beginning to approach the closing line, so all aspects of the businesses are beginning to fire and beginning to look good that is where we are at, thank you so much for your time. I look forward to interacting with all of you offline and here from now. Thank you so much.

**Moderator**: Thank you members of the management. Ladies and gentlemen, on behalf of IIFL Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.