"Tech Mahindra Limited's Conference Call to Discuss the Acquisition of CTC"

January 17, 2022

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Moderator: Ladies and gentlemen, good day and welcome to the Tech Mahindra Limited Conference Call to Discuss the Acquisition of CTC. 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 phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vivek Agarwal – President of BFSI, HLS and Corporate Development. Thank you. And over to you, sir.

Vivek Agarwal: Thank you, Faizan. Good evening, everybody, and appreciate joining this call on short notice. And I hope all of you have had a chance to look at the 'investor deck' which should be available on our website and Kaustubh has kindly arranged to send to all of you.

I'm going to take a few minutes upfront to talk through some of the salient points in the deck and then we'll open it up for questions.

Just from a transaction perspective, there are three primary strategies and rationale of why we've done this investment. Firstly, we believe that the insurance industry is going through significant transformation, a lot of new emerging business models, and a lot of it is being disrupted by technology. So, this is about us doubling down with increased focus on scaling our insurance business over the coming years.

Secondly, CTC brings in deep digital technology skills and capabilities. They've been involved in a number of marquee digital transformation work with their client base. And we think it's a very scalable capability, not only for servicing their existing client base, but also being able to cross-sell and take to a bunch of Tech Mahindra clients globally.

And lastly, the business services clients in Europe and in the US, the delivery centers for the company are based in Latvia and Belarus. Those countries and the region provide excellent technology capability and talent. And as part of our plans, we do think this is a very scalable talent base with very high-quality talent availability, which you would expect to grow many folds in the coming years. So, that's the broad thinking around these investments.

And just getting into some of the detail, as you may have seen from the communication, this is a couple of transactions together. And the reason they're combined is they are owned by the same shareholder group. And they're all very deeply focused on the insurance industry and financial services industry.

The first is a core 100% acquisition of CTC, which is 100% services business. And we are acquiring that business for a total consideration of €310 million. Out of the €310 million, we will pay €210 million upfront and the balance €100 million is linked to the performance of the business over the next four years in the form of earn-outs as well as synergy linked payouts. I think this is just to ensure that we drive the right levels of synergy and cross-sell as we move forward in integrating this business, the Tech Mahindra.

The second part of the transaction is a minority investment into two insurtech platforms. The two platforms have a proven technology stack have a proven business model. They have active clients on the platform and they go to market in a SaaS business model and helps customers address very specific needs in their business. We do believe that these are very scalable platforms and with our participation, we would have the ability to take these wider into the global market as well as provide scalability to these platforms over the coming years.

We're taking a 25% equity stake upfront in these platforms with an option to subsequently increase our stake at a predetermined valuation within the next two years if we may wish to do so at our choosing.

Just a quick snapshot of the businesses. CTC which is the core services business did about €71 million in revenue for the full year calendar 2020, and for the first nine months of 2021, the business turned over about €59 million in revenue, 720 employees, and the business has seen significant growth rates over the last three years; 40% CAGR on revenue, and on a consolidated basis, this business would deliver industry-leading EBIT margins to Tech Mahindra.

The two insurance tech platforms, which we're looking at, the first one is Swift which essentially focuses on sales and distribution, helps set up digital broking capability, driving buyers on websites and helps insurers launch new products go-to-market very quickly with an out of the box solution. Currently, has had a bunch of clients and in Europe, but we do believe both added functionality as well as added go-to-market strengths, will offer a significant upside to both the market we can address as well as functionality we can offer clients.

And the second insurtech platform we've invested in is Surance. This is a very unique technology and platform which was developed in Israel and helps insurers underwrite personal cyber insurance. And it helps collect information data, helps with managing the risks for the insurer. So, these are both B2B platforms, which help insurers or brokers develop and take new products to market. And these platforms will provide the technology backbone for those products.

So, on Surance, there are a number of leading global reinsurers, who use a platform to underwrite cyber insurance. But we also see this as part of a bigger market, which is focused on data-driven insurance underwriting and we see a big market opportunity out there.

I touched upon this in the opening statement around the strategic rationale, but this is about high quality digital engineering, scalable talent pool and workforce in Europe and very, very deep domain expertise in insurance and reinsurance industry.

And lastly, I am going to touch upon how do we see value creation from this investment. I briefly said that the business has industry-leading margins and will be accretive to the TechM EBIT margins. And also, the transaction will be accretive across a bunch of financial parameters around EPS free cash flow and ROCE.

We will rebrand, co-brand the business a segment of CTC from day one and this will become part of our overall operations. And we do have an integrated management team structure which has been set up and agreed with the management team and sellers of the business who will be responsible for the business going forward. And they would also be focused on driving synergies which is largely around cross-sell and scale up of digital engineering capabilities as well as the ability to sell the TechM service lines in the client base which comes in with the CTC acquisition.

This is extremely important for us. And that's the reason why when we set up earn out. It's not only earn-out from standard forms of the business but earn-outs also include payments linked to achieving the synergy goals for the combined business.

And lastly, on the global insurance scale up, I think on the back of this transaction and these investments, we are very focused on creating a dedicated go-to-market for our insurance business. We think the market is very attractive in the segment. If you look at spend data, the insurance industry spend on transformation and new business models is at least two to three percentage points more than the overall industry. And we see this as a great opportunity to play a disruptor in this industry. So, we are geared up internally with the right alignment of management team personnel to go after that opportunity apart from growing the whole digital engineering practice on the back of these investments.

I'll take a pause here and open it up for questions as the questions come in, happy to address as much as we can. Thank you.

Moderator: We will now begin the question-and-answer session. First question is from the line of Mukul Garg from Motilal Oswal Financial Services. Please go ahead.

Mukul Garg: I think a very interesting acquisition. Just a couple of clarifications if I may. First, if you look at the two insurtech platform, can you help us how old are the companies and what is the current revenue run rate?

Vivek Agarwal: The two companies are between one and a half and three years old. I can give you the number of clients and where they are and their revenue numbers and the business model if that helps understand a little bit more. So, first Starline works with insurers, brokers, and currently has two lifelines in Europe and they get a percentage of the brokerage fee, which is generated out of on the platform. That's the business model they go out to. And there is an installed base that is revenue in long-term SaaS contracts with digital brokers and online platforms, which use the Swift technology to power their customer journeys and sales and distribution process. On insurance, the model is slightly different. The platform works with insurers' carriers as well as reinsurers to help, assess, manage, and then underwrite personal cyber security risk. This is the basis of the technology and the IT the company carries. They look at understanding the risks involved and then managing it, which is obviously of great value any of the data is of great value to the insurance companies. And that's what this platform provides.

Mukul Garg: Just wanted to kind of touch upon the motivation for this transaction from the seller side. If we look at this particular acquisition, the valuation looks quite attractive for you guys given they are into digital engineering and product development space, both of which are quite hot, but the valuation seems still fairly attractive. So, after working for about 20-years in the space, what was the motivation for the seller to exit fully at this valuation? Obviously, reason looks like that it was for the protected form, but again here, they are giving you almost 45% type of stake over a few years if things go well. If you can just touch upon what was the factor which led them to do this transaction at this prices?

Vivek Agarwal: Mukul, firstly, a great bunch of entrepreneurs who build this business over the last few years. And a lot of the growth has been in the last three or four years as I said, last three years CAGR is about 40% from a revenue perspective. What I would like to say is that this has been a bilateral deal, we built a great relationship with the founders over the period of time, and they bind into a larger vision of where this business and this entire capability can be as part of a larger organization. That's the reason why some of the earn-outs and payouts are linked to synergy achievement, because they do believe in the wider vision of what we have for the businesses. And I think the second reason is that while the services business has its own momentum, the structure we have adopted will also help fund the next phase of growth of the two insurtech platforms, while the founders and the management can focus on building more functionality taking it to market on a wider basis. And we would love to take them to market to our client base to different parts of the world and provide them with a global reach. I think it's a holistic version of what we think we can jointly build together. It's been the big driver for this.

Mukul Garg: Just one clarification, what's the current attrition rate of the company if you can share?

Vivek Agarwal: Again, a single digit attrition rate. So, very, very well run, very, very tightly and well managed business. And if I may say so, a little bit under the radar in-house they've operated to get to this great success.

Moderator: The next question is from the line of Ankur Rudra from JP Morgan, please go ahead.

Ankur Rudra: Looks like an interesting deal. Could you explain this 40% as you mentioned in your interview?

Vivek Agarwal: Ankur, that's correct. It is all organic growth over the last few years, absolutely.

Ankur Rudra: Looks like it struggled to grow. It was a bit slower for a long time and only picked up pace in the last like you mentioned in last two or three years. Any changes in the ownership or structure of focus which is driven?

Vivek Agarwal: The short answer to those questions is no, it's been the same set of founders. I think what's happened over the last few years are they've built a great knowledge of their clients understanding of the business processes and understanding of the core of their clients. And as customers have undertaken large scale digital transformation, they look for people who understand their core business rather than trying to get horizontal skills and then helping people understand their business processes, etc., and what they found in CTC is already understanding of the core of their business as well as some top-notch technology talent. And I think that combination is what's driven growth for them over the last few years.

Ankur Rudra: Could you clarify how widely spread is the earn-outs for the founder team? And what is the duration?

Vivek Agarwal: So, the duration is four years, including the calendar year which just finished. So, there's three full years on this after this year. But it was in four parts, yes.

Ankur Rudra: Do you think the next set of lock in is beyond the founder, can you elaborate the senior management team as well?

Vivek Agarwal: So, there are a bunch of key personnel who do not have significant equity stakes, but we put them as part of the transaction on a retention plan for four years.

Ankur Rudra: You have had quite a successful strategy in the last few years, which is you highlighted in a recent analyst day, the programmatic method of going, Key bigger transactions in comparison to what you've done in recent years? Is this slight change in approach or are you just a bit more confident in terms of the targets you're going after?

Vivek Agarwal: Ankur, you refer to the analyst day presentations, where we did put out a strategy and how we're executing on it. And I do believe we are executing fairly well on our strategy of how we integrate, how we go after large deals on the back of acquisition. So, yes, absolutely, there is more confidence. I think from a size perspective as you will see from a revenue size perspective, this is very much in the sweet spot. We've always articulated, this is about $100 million in revenue or 90 something million dollars in revenue on an annualized basis. I think from a valuation perspective, it is reflective of what we believe is the quality of the talent, the overall capability set and as I said industry-leading EBIT margins.

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

Kawaljeet Saluja: My question on acquisition is two-fold. One is, can you talk about your own insurance capabilities, which you can cross sell and make the best use of the acquisition? When I look at your own financial services practice size, including banking, that's about a billion dollars, which is modest. So, can just detail the areas of for synergies out? The investment that you've made in SaaS, was the investment co-terminus with the overall acquisition or you had a choice of not making that investment?

Vivek Agarwal: The second one is an easy one. So, I'll take it upfront. It was our choice. And as I responded to Mukul in the first question, we do believe that the combined vision for the industry and how we would work this together with the founders was critical. But it was our choice.

Kawaljeet Saluja: So, why restrict to just 25% investment, why not go the whole hog?

Vivek Agarwal: The structure is that we have invested 25%, and we have an option to buy another 20%, again, at our choosing. We just use a staggered approach. And we do think that if we do exercise that option, it will give us a pretty significant stake as this develops to the next stage. And to your first part of your question around, "what is our capability set in BFSI and especially in insurance, and how do I see synergies working", as you rightly said, BFSI for us is now about a billion dollar business, but if we look back on this, this has been a high teens growth over the last five years, we are somewhere in the 17%, 18% CAGR in BFSI over the last five years. And I think the way that business has been built over the last few years is around identifying specific trends and creating a right to win following those trends. Because if you look at five years back, we were a 300 million business unit in BFSI and there was no differentiation. But I think from a strategy and logic perspective, we are following the same that if we are going to create differentiation a right to win, it gives us a better chance to be successful in the market, it does give us scalability. And when I look at where do we see synergies, I think there are two ways to look at this. This business largely works on helping insurers and financial institutions do digital engineering, digital transformation projects on the development side. So, they essentially are an enterprise OPD shop where they build next-generation digital products for their clients. So, that capability and that skill set is very fungible to our clients. So, that would be one part of the synergy. And I think the second part of the synergy is going to be on their client base where we do believe we should be able to sell horizontal service lines, scale service lines, which today this business does not deliver. So, they actually leave enough money on the table for some of the other players to come in and fulfill those capabilities. So, it's a combination of the two. And then as we look at combining those sets of capabilities, we also believe that it will improve our chances of winning in the market for new clients, etc.,

Kawaljeet Saluja: Just a question for Rohit or Milind. I don't know that this question was asked or not, but what's the monetization charge from this acquisition? And is this transaction EPS dilutive or accretive?

Vivek Agarwal: Obviously, the accountants will ultimately finally opine on the quantum, but right now, we assume a third of the transaction value will get amortized over eight years linked to client contracts and client relationships.

Kawaljeet Saluja: But would there be amortization related to marketing intangibles, brand name or client contracts is the only thing amortized?

Vivek Agarwal: The client relationships and those are the ones which will get amortized, yes. And our estimate is a third of the value will get attributed to that amortization.

Milind: That is actually a group which will include customer contract and customer relationship.

Kawaljeet Saluja: Approximate charge will be around €13, €14 million and whether it's EPS accretive or not?

Vivek Agarwal: Yes, it is.

Kawaljeet Saluja: And on a GAAP basis?

Vivek Agarwal: Yes.

Moderator: The next question is from the line of Nitin Padmanabhan from Investec. Please go ahead.

Nitin Padmanabhan: I think you mentioned that the annualized revenue was around €90 million. Is that correct? And that would actually mean that the fourth quarter is like €31 million. Is there so much result in the business, how should we sort of understand it?

Vivek Agarwal: I did say $90 million. Because the question was on size. So, it wasn't €90 million. And the business has no significant seasonality. I'm not at liberty to make a forward-looking statement of where the December quarter will close. So, hence we have given you nine months revenue, but there's no seasonality.

Nitin Padmanabhan: So, if you look at the past three years, actually, the growth has sort of been decelerating. It's like almost 10% growth this year on an annualized basis, right, rough cut. So, what's happening within the business that's leading to this deceleration and going forward, do you believe that it can get back to earlier growth rates?

Vivek Agarwal: One of the reasons why this is attractive for us is because we think we can help add value to bring scalability in the business. The business has become constrained in its private ownership for various reasons and one of the opportunities for us here is being able to build more scalability, more robustness into the systems, and processes for the business as we move forward. The opportunity is humongous. Obviously, I can't give you a forward guidance on what we expect here from a numbers perspective, but directionally if we fires on all levers around building scalability on the talent side, there is enough revenue opportunity in the sector, both from a horizontal skill set perspective as well as an industry perspective.

Nitin Padmanabhan: So, what you are essentially saying is, the lower growth rate is because of underlying business constraints, which as a group together with TechM, we should be able to garner synergies and sort of improve and that's what you're targeting and that's why the earn-outs and that's why the valuations are where it is, is understanding, that's fair is, right.

Vivek Agarwal: That is correct, Nitin.

Nitin Padmanabhan: If you look at this business, in terms of the customers and the spread of the business, any sense on the geographic spread of business? That's one. And second, on the insurtech entities, obviously in a position to sort of disclose what the ARRs are, I think this year, we have had quite a number of acquisitions and very reasonable sum, invested in an acquisition, just wanted your thoughts on how do you think about acquisitions going forward, do you think we'll slow down a bit, consolidate these and then move forward or how should we broadly think about it?

Vivek Agarwal: Last question, I'll pass to Rohit to respond. On the two platforms, as I explained right at the beginning on the business model, and the customer base, we are not giving out revenue numbers, but suffice to say these are early stage ARR numbers, and the businesses are scaling up. They've signed clients, but the full volume, and the throughput on some of those contracts are still ramping up. On your first question, the clients of this business are largely Europe-centric firms. They do have a couple of American clients which are US headquartered insurance firms.

Rohit: On the new acquisition, the way we look at it is a function of as we've articulated in our investor day also, we evaluate our capability gaps, where we are organically on that versus availability of assets which the team constantly works on. So, it's a function of all of that that we took from acquisition perspective. So, we'll continue to do that. And as we mentioned, we also change the strategy to look at it in a more systemic basis that we mentioned. Hence, that's the approach change. But it's all a function of availability of asset versus the gaps we have. And I think given the timing wise they've been as you mentioned, a few that has happened consecutively. And as we move forward, I think we'll continue to evaluate those niche skill gaps with the asset and move forward with that. But overarching, all of this is continued focus on our execution that we've changed over a period of time and we are confident on doing better given the approach we're following.

Moderator: The next question is from the line of Sandeep Shah from Equirus Securities. Please go ahead.

Sandeep Shah: Just wanted to understand these two insurance tech platforms. Are they getting any revenues from CTC because if I'm not wrong, both the companies are under the same founder company as a whole?

Vivek Agarwal: No, they don't get revenues from CTC, their clients are all third-party clients, insurers and brokers. So, these are market facing platforms, yes.

Sandeep Shah: And whether the vice versa is also true where CTC getting any revenue because CTC being outsourced product development company, so is CTC getting any revenues from these two platform companies?

Vivek Agarwal: There is a small portion of development work for one of the platforms which is done in CTC, that is correct. It's not very significant, but there is some work subcontracted from a development perspective to CTC.

Sandeep Shah: Further to one Nitin has asked, CTV being a company which industry leading-margin, making FCF, high ROIC, so, what are the business constraint which is not helping them to scale up especially in CY'21, just wanted to understand?

Vivek Agarwal: I think largely two things. One is sales, I think the company has very limited or next to zero sales capability. And as I said earlier on a different context, they haven't really gone out to market with the capability set on. So, that to me is constraint number one, that they've been very happy with their existing relationships and the clients value their capability set. And secondly, in this industry like everybody else is the talent side of the equation. And on both of them, we do expect additional investments into sales, we do expect to use our market reach from a synergy perspective as well as from an organic growth perspective and on the talent side of the equation, we do intend to bring in our systems, practices, processes to help scale faster. And obviously, any investments in the short-term we need to make to do all of that, which in a private ownership scenario, may have been difficult.

Sandeep Shah: Just a last on a strategic direction, I think people are investing into engineering, design and OPD more on the manufacturing, smart manufacturing, IoT, auto, electronics. So, given this is a sizable acquisition, how are we thinking to put these kind of large sum treasury into capabilities of the insurance as a service industry to scale up, so, are we believing that the scale up could be humongously high through this acquisition, especially for the insurance as a vertical for the TechM as a whole?

Vivek Agarwal: There are three parts when you look at it, right, in this when you say scale up. Clearly, one is insurance from an industry domain perspective and a very unique set of very deep understanding of the industry processes, etc., I think we also think just from scalability of the horizontal, enterprise focused OPD is a huge area, I mean, as large enterprises build digital businesses and digital applications, they all think and build stuff like a product company would enroll all times. So, that's a skill set which is fungible across industries. We do see that as a big high growth area for many years to come as a horizontal service line, and then is scaling and diversifying our talent pool. This will give us a reasonable footprint to grow off in the region. And as you would all acknowledge that region does give very high and deep technology capability skill sets.

Sandeep Shah: For these two platforms, we are nearly investing €20 for a 25% stake. So, we are ascribing roughly €80 million worth of valuation for these two platforms. So, can you give some color in terms of what is the price to sales multiple are we assigning or they are really early stage and we are betting big in terms of the scale up from these two platforms going forward?

Vivek Agarwal: So, you're absolutely right, pre-money of 60 million, and we invest in primary investment of 25%. They are based on market benchmarks of ARR based revenue multiples, because as I said, the contracts with their clients on establish basis long term. I don't think they're in a position to give exact numbers, but it is based on ARR revenue multiples for calendar '22 full year and exit ARR rates for this year which will be in line with the industry.

Moderator: The next question is from the line of Ashwin Mehta from Ambit Capital, please go ahead.

Ashwin Mehta: Just want to check in terms of financing of this acquisition, will we be largely using our cash or you are looking to raise debt for it?

Vivek Agarwal: We are looking to fund this off from our balance sheet. There are no plans to raise any debt for the transaction.

Ashwin Mehta: In terms of EPS-accretive nature of this transaction, essentially if I assume say a 5% pre-tax yield on your cash, this effectively would mean that you need to generate say 10% PAT margin after in this business for it to be accretive and after taking into account the amortization as well. So, are the margins high for the company?

Vivek Agarwal: What I'm able to share as I said, the business has industry-leading EBIT margins, and this is post the charges on a consolidated basis.

Moderator: The next question is from the line of Vibhor Singhal from PhillipCapital. Please go ahead.

Vibhor Singhal: Vivek, just a couple of questions. There is no debt on the balance sheet of this company. Any sort of debt or liabilities that we're looking at?

Vivek Agarwal: No, there is no debt or liabilities on the company's balance sheet, you are right.

Vibhor Singhal: And the company is free cash flow generating as well given the high margins that you mentioned that it makes?

Vivek Agarwal: That is correct. And that's why in the presentation we said this is accretive across all parameters.

Vibhor Singhal: Would you be able to share what was the cash on the balance sheet of the company at the end of the year?

Vivek Agarwal: So, there isn't a whole lot of surplus cash because the founders have typically dividend it out any surplus cash in the business. So, it'll be nominal from a closing balance sheet perspective if I understand the question correctly.

Vibhor Singhal: I was just trying to basically understand again the questions which were earlier. The company in the digital engineering space, giving more than 35% CAGR. You mentioned about maybe the scalability issues that they had, but it's a free cash flow generating business, they could have specifically gone out and expanded their business, had no sales and marketing team as well. The transaction value appears to be quite attractive for a company which is in the space. It seems to be something like a very, very, very skill deep for us. So, I'm not sure what I'm using here. But no other constraints that we see in the business that we believe that might have force them to sell right apart from maybe scaling up on the current level.

Vivek Agarwal: No, I think as I said earlier, we've worked with the founders for close to a year, getting to a point where they believe in the joint value proposition, the vision of this. I think it's getting to understand and build that rapport and understanding was very important. I think it's important for the founders, it's important for us from trying to do this together. There are no constraints and at least at our end we are very excited that this represents a great opportunity for the company and its stakeholders.

Moderator: The next question is from the line of Dipesh Mehta from Emkay Global. Please go ahead.

Dipesh Mehta: Couple of questions. First about can you share what would be the client concentration for CTC and how the clients are spread out? And second question is about the employee mix, how many of their employees would be insurance domain experts and how many of them would be largely technology or digital skills kind of thing, if you can provide some mix, because you alluded it is insurance kind of OPD and in one of the answers you mentioned about horizontal capabilities?

Vivek Agarwal: The second question first in terms of skill set. So, everybody who works in the company has deep technology expertise. So, that's the first level. And given that, they do work largely on the insurance, reinsurance industry, most people will have familiarity with core processes in the industry and that also on the development side largely. When we start looking at people who will have a deep and tenure experience of the domain, that number will be about between 30% and 40% of the employee base will have deep and tenured experience on understanding the industry and its nuances and the business processes. To your first question around client concentration, their anchor client does give them about 60% of their revenues and beyond that they do have a bunch of other clients which give them the balance straight across the industry.

Dipesh Mehta:: How the relationship with anchor client is played out over because if I look last three years, every year we are seeing some moderation in revenue growth trajectory, so if you can provide, whether it is largely mirroring anchor client related thing, and they have limited success in mining other clients, if you can provide some sense?

Vivek Agarwal: I think I did address part of it earlier from a constraint perspective. The business does not have a large or any sales force of any significance. And I think that is one of the challenges which in partnership with TechM, we expect to be able to address better from driving an overall growth.

Moderator: The next question is from the line of Abhishek Shindadkar from InCred Capital. Please go ahead.

Abhishek Shindadkar: First, a clarification and second a question. So, maybe I missed it, but did you quantify the number of clients, that is first? And second is how should we look at the margin profile of the business? You're saying we have digital sales force. So, does that mean that this is a low gross margin business, but a high EBIT margin business because low sales expenses? And related to that is does existing TechM sales have the capability to sell in? And would that mean that eventually there will be some margin compression because we may have to invest in the skills?

Vivek Agarwal: So, to the first question, I'm not at liberty to disclose the exact number of clients of the business. On your second question around margins and investment, we do expect to make some investments in building a larger sales go-to-market of the business. But the business on a gross margin and an EBIT level is all fairly healthy, which is reflective of businesses in the space. And just from a quantification perspective, we all know what is the sales cost in the industry. So, we don't think any investments in unlocking growth here would dilute any of the messages we've said around margins and profitability, etc.,

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Vivek Agarwal for closing comments.

Vivek Agarwal: Thank you, Faizan and thank you, everybody for your questions. Just to summarize, which came out in a number of questions, we as a company are very excited with the growth prospects of this business and its integration within the Tech Mahindra family. And we do believe that this would represent growth opportunities across multiple vectors and will help us take our clients on full large scale digital transformation journeys, not only in the insurance industry, but across industry sectors with fungible skill set. And we look forward to executing well on this driving synergies, driving the integration of the business and speak to you folks soon on the quarterly results and would love to update on the progress of this business in the future. Thank you.

Moderator: Ladies and gentlemen, on behalf of Tech Mahindra Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.