



“NIIT Learning Systems Limited
Q4 FY '26 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to NIIT Learning Systems Limited Q4 FY '26 Earnings Conference Call. 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 call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sapnesh Lalla, CEO and Executive Director, NIIT Learning Systems Limited. Thank you, and over to you.

Sapnesh Lalla: Thank you, and good afternoon, everyone. Thanks for joining the NIIT Learning Systems Limited's Q4 FY '26 Earnings Call, and thank you for your continued interest in the company. Our agenda is today to discuss the Q4 and FY '26 financial and operating performance, the progress on our AI-first strategy and AI-enabled revenues, update on inorganic activity completed during the quarter, discuss the path ahead and then open it up for any questions.

First, let me set the context for this quarter. As you all might be aware, the global environment continues to remain uncertain. Client decision-making cycles are still elongated and discretionary spending continues to be closely scrutinized. At the same time, we continue to see sustained demand for outsourcing and operating model transformation as clients focus on cost agility and productivity. We continue to see wallet share expansion across a wide range of our clients, though the overall environment remains dynamic.

AI is continuing its rapid march to becoming mainstream with significant investments by early movers across segments. This represents a once-in-a-lifetime opportunity for us. And nowhere is this more consequential than in enterprise learning and development. AI is fundamentally changing what learning and development can deliver and NLSL is at the forefront of that transformation. I will come back to this topic of AI in detail before we open up for questions.

But let me say upfront, we believe we are building something that will redefine how enterprises develop their people, and this investment will not only supersize our opportunity, but set us apart distinctively. In context -- in this context, as we closed out the year and the fourth quarter, our revenue for Q4 was at INR5,252 million, was up 5% quarter-on-quarter and 22% year-on-year. In constant currency terms, we grew 2% Q-o-Q and 14% year-on-year, including contributions from inorganic acquisitions, including MST and SweetRush.

Excluding our North American real estate training contract, which closed in September of -- or June of 2025 -- Q4 revenue was up 31% year-on-year, 25% in U.S. dollar terms at the overall level and 18% year-on-year for the organic business, 12% in U.S. dollar terms. I want to be direct, revenue came in below our expectations. A couple of large clients made transient but material reductions to their year-end L&D budgets as they recalibrated in response to increased macro uncertainty.

We view this as timing driven, not structural, and our ongoing engagement with both those clients confirms that view. Q4 EBITDA was at INR1,002 million, was up 16.8% year-on-year at a margin of 19%. Excluding SweetRush that joined the NIIT family during the quarter and seasonally at its weakest quarter and early in its integration with NIIT, the margin was above



20%, consistent with our full year delivery of 20.3%. Depreciation and amortization was at INR205 million versus INR194 million in the previous quarter.

Net other income of INR144 million versus INR3 million last year and INR104 million last quarter, including treasury income of INR36 million, lower year-on-year, primarily due to market-to-market impact of interest rate changes during the period.

Net exceptional gain of INR286 million, comprising of a gain of INR455 million due to fair value adjustment in future acquisition liability on account of St. Charles Consulting Group, transaction-related expenses of INR77 million, predominantly on account of acquisition of SweetRush and a prudent provision of INR92 million against carrying value of a minority strategic investment we have made in April of last year.

Foreign exchange loss of INR52 million, net other expenses of INR51 million, net finance cost of INR76 million. The tax was at INR169 million. Effective tax rate was 18% versus 22% in the previous quarter, primarily due to no tax on gain from adjustment in future acquisition liabilities. PAT was at INR771 million were up 58% year-on-year with EPS of INR5.61 versus INR5.42 in the previous quarter and INR3.58 previous year.

During the quarter, we signed 5 new long-term annuity clients, taking the total additions during the year to 21. New clients for the quarter included a global leader in data centers and digital infrastructure, 2 of the world's leading financial institutions, a major EV battery manufacturer building gigafactories across North America and Europe, a Fortune 50 global technology company and one of the largest -- world's largest PC and enterprise infrastructure providers. We also completed 2 renewals and delivered 2 scope expansions.

As a result, our long-term annuity clients tally has increased to 110 at the end of the quarter, and the revenue visibility improved to USD 459 million. This is up from USD 415 million in the previous quarter and USD 390 million last year. The increase reflects strong new bookings during the quarter, which include expansion of an existing top 20 client into a top 5 client.

For the full year, FY '26 was strong, broad-based -- saw a strong broad-based growth with full year revenue at INR19,520 million. It was up 18.1% year-on-year and up 11% in constant currency. Organic revenue grew 13% year-on-year and 7% in constant currency. Excluding the North American real estate training contract, which concluded in September of 2025, organic growth was 14% in U.S. dollar terms.

EBITDA for the year was INR3,957 million at a margin of 20.3%, within our guided range of 20% to 21%, reflecting continued delivery discipline alongside targeted growth investments. PAT for the year was INR2,477 million was up 9% year-on-year with an EPS of INR18.09 per share.

Growth was driven by ramp-ups and wallet share expansion within our existing client base. Revenue from existing clients grew 4% year-on-year. This was complemented by healthy new logo addition as well as contributions from MST and SweetRush.



Top 5 clients contributed 32% to the full year revenue, top 10 contributed 50% and top 20 contributed 69% of revenue. Among our customers, each of our top 5 clients contributed over USD 10 million in revenue in FY '26 and each of our next 8 clients contributed between \$5 million and \$10 million. Our acquisitions are shaping well. MST added a new annuity client and delivered a significant scope expansion during the quarter.

SweetRush expanded its engagement with a top 20 global pharma company, an early proof point of the strategic value of that acquisition. This performance places us clearly ahead of our peer group and both on growth and profitability. And as we enter FY '27, we have a stronger platform than we had 12 months ago.

The balance sheet and cash flow metrics remain strong. DSO stood at 65 days as compared to 74 days previous quarter and 56 days last year. Cash and cash equivalents were at INR9,366 million. The net cash was at INR6,692 million. The operating cash flow for FY '26 was at INR3,101 million as compared to INR2,595 million last year. Free cash flow for the quarter -- for the year was INR2,657 million versus INR2,123 million.

The headcount stood at 2,546 at the year-end, up 136 year-on-year and up 113 quarter-on-quarter. On January 9, as we have mentioned earlier, over 100 SweetRushians joined the NIIT family across the United States and Costa Rica, strengthening our creative and human-centered AI-enabled learning capabilities.

Let me spend a couple of minutes on the inorganic growth that we witnessed over the last year. During FY '26, we completed 2 strategic acquisitions that meaningfully expand our capabilities and geographic reach. MST Group, a leading managed learning services provider in the DACH region serving marquee clients across automotive, industrials and energy sectors, establishes our presence in Germany, Europe's largest economy and is a meaningful step in building out our European platform.

Strong client profile with long-standing relationships in structurally important sectors undergoing significant workforce transformation. Integration is progressing well. Q4 already delivered a scope expansion with an existing key client and a new logo addition, an early validation of the acquisition thesis and of the cross-sell opportunity between MST and NIIT.

SweetRush completed early in Q4, an award-winning provider of human-centered AI-enabled learning experiences, XR immersive experiences, certifications and strategic training interventions serving Fortune 1000 corporations and professional associations. Acquisition of SweetRush moves our mix up the value chain into outcome-led performance-critical learning with a high-quality and sticky client base.

The synergy road map centers on converting project work into comprehensive long-term engagement, and we are starting to see early green shoots. Margins will build progressively over approximately 6 quarters, reflecting the business' meaningful seasonality, EPS accretion expected from FY '27.



Another couple of minutes on market update. As I stated in my opening, the market volatility continues to heighten the emphasis on cost optimization, prompting increased client engagement on large-scale cost takeout and transformation initiatives, although decision-making cycles continue to be prolonged. AI and its profound impact on the practice of L&D is real and starting to become visible.

Early adopters are starting to take advantage of AI with our assistance. We think this has the potential to become a multiyear growth opportunity for NLSL. We believe NLSL is very well positioned to capture a disproportionate share of these opportunities, underpinned by continued investments in capabilities, including AI, consulting and advisory services and in go-to-market with a focused effort on wallet share expansion across our existing client base.

A strong brand as a trusted and reliable market leader. Our deal pipeline remains robust with active opportunities across large outsourcing deals spanning technology, automotive, life sciences, BFSI and other sectors. We continue to see accelerating structural transformation across the industries we serve, driven by digitization, decarbonization, biopharma, innovation and now more importantly, AI. Many organizations are actively restructuring to improve cost agility, fueling increased demand for outsourcing.

This environment is triggering an uptick in outsourcing activity and NLSL is uniquely positioned to capitalize, especially as select competitors face strategic or operational distractions. However, we would like to point out that due to the significant market uncertainty, the decision-making cycles have been stretched and are likely to stay stretched till the market uncertainty continues.

For our guidance, we want to limit the guidance to the fiscal year 2027. We enter the year with greater revenue visibility. It gives us a strong foundation heading into the year. That said, the macroeconomic environment remains uncertain and decision cycles continue to be elongated. We expect this to influence the pace of new ramp-ups, particularly in the near-term. For FY '27, we expect the revenue to grow in high single digits, subject to the macroeconomic environment. We remain confident in our ability to outperform the market through this cycle.

On margins, we expect 18% to 20% EBITDA margin for the full year, reflecting continued delivery discipline and phased margin build in SweetRush as the business scales as well as integrates fully within the NIIT system. Given our investments, we expect 18% margins in the first quarter.

Before we open for questions, I wanted to come back to the theme I flagged at the outset, AI and the transformation of the enterprise learning. I wanted to spend a minute on the progress on AI enablement we have witnessed or we have driven. As shared earlier, we've made significant progress in building our AI capability, continue to have a pole position in the L&D market as acknowledged by our clients and industry analysts.

NLSL was independently recognized as a Market Leader in Fosway AI Market Assessment in 2025 -- Assessment 2025 for Digital Learning, the first in-depth independent study of AI application in L&D. Market assessments have revealed a significant gap in competitors' say-do ratios. That is majority of the AI features promised across the market have not yet been -- have



not yet gone live with clients. In contrast, NLSL have delivered on every capability that we have promised and our clients are seeing tangible results. We have testimonials from multiple clients on measurable impact.

One of our clients saw their sales pipeline improve by over \$1 million on average over 6 months following our AI-enabled simulations and coaching deployment. Another saw time to proficiency on methodology adoption shrink from 1.5 years to 6 months. This builds on a recognition as a strategic leader in the Fosway 9-Grid for digital learning for the third consecutive year.

NIIT has always been at the cutting edge of technology and learning. Our AI-first strategy in learning has evolved into a considerable point of differentiation for us. We have gone live with a number of enterprise deployments of our AI solutions. Notably, total AI-enabled revenue continues to grow as a share of business this quarter. The share of business -- AI-enabled business this quarter was approximately 13%.

I wanted to spend a couple of minutes to talk about AI-led transformation for the learning industry and our architecture to address this once-in-a-lifetime opportunity. The L&D industry has always faced a fundamental constraint. Individual coaching, the most effective form of learning has never been economically viable at scale. AI enables us to remove that constraint, and we believe the company that builds the right platform to deliver on this will own a large and durable share of enterprise L&D spending for years to come.

That is the opportunity we are going after. To that end, our dedicated AI learning practice is developing a 3-component self-improving learning platform. First, an AI Coach. This replaces passive content delivery with personalized interactive coaching for every learner, whether they are working on long-term career development or preparing for a critical client meeting tomorrow.

Second, a simulation manager. This connects the learner to configurable, realistic practice environments. The AI Coach identifies the right simulation for each learner in real-time and custom configures it to their specific needs.

And then finally, a third, a signal engine. This continuously scans organization-wide performance data to identify skill gaps, measures, whether the training was actually moved -- whether the training has actually moved business outcomes, feeds those results back to sharpen the system over time. This is what turns the platform from a learning tool to a continuously improving performance system.

There's a second structural driver of demand that we believe is underappreciated. Historically, junior employees build their judgment by doing routine tasks, the reputation and exposure of entry-level work was how people develop their experience -- the experience needed to take on senior responsibilities. AI is now automating much of the entry-level work. Enterprises are consequently grappling with a new problem. How do they develop judgment and senior level capability in their people without that traditional on-the-job exposure?



Our simulation engines, which use AI to generate large numbers of realistic dynamic scenarios are precisely the answer to that question. They create a synthetic workload that accelerates judgment formation in a fraction of the time it used to take in traditional work environment, additional training. This proprietary intellectual property -- this is proprietary intellectual property owned by NIIT Learning Systems and it positions us to capture a significant share of the incremental opportunity that AI displacement is creating.

Commercially, we are using a component level pricing model with natural expansion economics built in. We're validating the model and the measurement story through lighthouse deployments and engaging our client advisory board to stress test both the evidence and the commercial training. The organizational build is underway alongside new AI-native practices covering performance consulting, simulation design and deployment, coaching configuration and the build-out of our sensing and signaling engine.

Today, we have over 100 senior AI learning and science experts engaged in building AI solutions and products, a depth of investment that very few, if any, peers can match. Like I pointed out earlier, AI-enabled revenue now makes up more than 13% of our total revenue. We have no doubt that this percentage will keep growing as AI becomes the default mode of delivery across the industry.

This investment will enable us to compete more effectively and support internal L&D teams who are overwhelmed by the pace of change and the expectation to move the needle on enterprise capability and performance. Over time, we expect the internal L&D organization to shift from an operator role to an orchestrator role.

That transition represents an enormous and still largely untapped opportunity for NLSL. And with the investments we are making, we believe we are uniquely positioned to capture this opportunity. Thanks for your time. And now I'll open up the floor for any questions.

- Moderator:** We'll take our first question from the line of Bharat Gulati from Dalal & Broacha.
- Bharat Gulati:** I just had my first question was regarding the bookkeeping question. Just wanted to understand the INR100 crores of EBITDA that we achieved and the 19% margin that we are showing. I'm not able to tally that up with my numbers because the only thing that we add back is the forex. And if we exclude that, our EBITDA stands at around INR786 million. So just wanted to understand what that mismatch was, if you can help me out?
- Vijay Thadani:** So our finance team will work it out for you. But meanwhile, maybe if you have another question, we can answer.
- Bharat Gulati:** No worries. Just trying to understand the shoot up that we've seen in employee cost and outsourcing cost, which as a percentage of our sales has also gone up. Is that what range is going to continue to be in? Or should we see that taper down as more leverage comes in?



- Sapnesh Lalla:** I can respond on the outsourcing cost. As I've mentioned in the past on these calls, we have tried to limit the overall headcount in the company and relied more on contractors to deliver on growth given the significant uncertainty in the market.
- Management:** To reconcile the EBITDA, there are a couple of other for the whole year heads which are there, which have to do with the CSR component and also some indirect tax related provision which we have made.
- Bharat Gulati:** Okay. So that's one-off again, that would be fair to assume.
- Management:** Yes. That's correct.
- Bharat Gulati:** Got it. Got it. And yes, just on the employee cost, again, we've seen a spike in this quarter of about 46% sales now on employee cost. So just trying to understand, is this the trajectory? Is this because of the acquisition that we've made that is much lower margin than our overall business?
- And just trying to understand how will this margin trend going forward on a reported basis more to speak? Because on an adjusted basis, surely, we can achieve that 18% but the delta between our adjusted and reported is always of 120, 130 basis points, which is pretty significant. So just trying to understand when can we see that delta also converge?
- Vijay Thadani:** I don't know. We are finding it hard to reconcile the numbers that you are referring to. So is it okay if we do it offline with you and then we'll, of course, inform everybody else.
- Bharat Gulati:** Sure, sir. I'm just trying to understand guidance.
- Vijay Thadani:** We normally don't have -- I don't recollect ever having to reconcile the numbers we have declared with ever. But nevertheless, there is always the first time. So I will -- Kapil and Mr. Sanjay Mal, our CFO, they'll be in touch with you, and they will clarify the whole situation.
- Bharat Gulati:** No, that's completely fine. Just trying to understand going forward on future EBITDA, just trying to understand what kind of margins? I mean, I understand you guided for 18% to 20%. But how do we -- how can we expect that upper band being hit? And just trying to understand how will cost be going forward? Is this...
- Vijay Thadani:** You wanting to understand how upper end of the margin will be achieved, that I think Sapnesh will be happy to iterate.
- Sapnesh Lalla:** Yes. Like I said in my opening comments that we are starting to integrate SweetRush within NIIT, given their size and scale currently and the fact that this past quarter is among their weakest quarters, we think that over the next few quarters, their margin will start ramping up as their accounting system starts to integrate with our accounting system and methodology. And so, I think to some extent, it is a question of seasonality and to some extent, it's a question of integration should have been sorted over the next couple of quarters.
- Vijay Thadani:** Traditionally, we have been a 20% margin company. And I don't see that changing in near future.



- Bharat Gulati:** Got it, sir. Fair enough. I'm just trying to understand, sir, on the growth front, ex of acquisitions, if we just look at organic growth for this quarter, in dollar terms, what would have that been on a Y-o-Y basis if that could be quantifiable?
- Sapnesh Lalla:** Ex of acquisitions, our growth for this quarter would have been about 3% in dollar terms.
- Bharat Gulati:** That would be on a Y-o-Y basis?
- Sapnesh Lalla:** No, on a Q-o-Q basis. On Y-o-Y basis, about 2% in constant currency and 3% in dollar terms.
- Bharat Gulati:** Got it. And just a last question regarding our tech and telecom vertical has seen a sharp drop quarter-on-quarter in terms of growth. So is there something specific? Is there a ramp down with some customers because we were seeing a good run-up in growth in that quarter for the -- in that vertical for the past 4, 5 quarters?
- Sapnesh Lalla:** Yes. Like I pointed out, one of our clients, given the uncertainty and the fact that their fiscal year-end coincides with ours pulled back temporarily but materially the budget allocated towards L&D. We think that from a long-term perspective, this is not a reflection of reduced overall spend, but they needed to pull back the expense towards training this past quarter.
- Bharat Gulati:** Got it. And just trying to understand directionally the acquisitions that we've made. Historically, the St. Charles business didn't pan out like we wanted to. So just trying to understand what gives us the confidence that these acquisitions 2 years down the line, 3 years down the line is going to grow at the same 20% kind of pace that we initially intended the business to grow at?
- Sapnesh Lalla:** So first of all, I wanted to mention that the St. Charles acquisition has actually worked out quite well for us. We've been able to establish a consulting practice, which enables us to be more consultative and advisory -- provide advisory services to our clients. We also have been able to create a significant vertical in professional services vertical.
- As far as market volatility is concerned, the events of the last 2 years have been unprecedented. And this volatility will probably continue over the last -- over the next few quarters. That I don't think anyone can do a hell of a lot about. But overall, St. Charles joining NIIT has been a good thing, and we are very satisfied with their service.
- Vijay Thadani:** And you just say a word about MST and the new breakthroughs you have.
- Sapnesh Lalla:** Yes. I mean, like I pointed out, while MST and through MST penetration in the DACH region, we made the acquisition sometime in July, and we are already starting to see addition of new logos as well as logo expansion and cross-sell opportunities. Likewise, as I pointed out, we saw a significant expansion in a top 20 pharma client with SweetRush. So I do expect the amount of time and diligence we do for these acquisitions will come in and make us more successful.
- Moderator:** Next question is from the line of Rahul Jain from Dolat Capital.
- Rahul Jain:** Just wanted to have one clarification this high single-digit growth that we guided. Is this on an organic basis? If yes, can you clarify what the overall growth guidance is?



- Vijay Thadani:** This is overall growth guidance.
- Rahul Jain:** Okay. So high single-digit includes the SweetRush.
- Sapnesh Lalla:** Yes, correct.
- Rahul Jain:** So the other way, the question should be then what is the implied organic growth in this assumption?
- Vijay Thadani:** Look, at this point of time, whatever numbers we are talking about, they are our best judgment and can swing widely given the uncertainty in the market. I want to remind you that you only pointed out that in the quarters when everything is shed up, nowadays there are changes which are taking place. Sapnesh talked about a technology client who suddenly pulled back his expenses. This is very -- it's beginning to happen quite often.
- So we have a very good order intake. We have a very good contract intake. We have very strong clientele. We have a net revenue retention, which is very, very significant. I think that is what the confidence is coming from. How this year will pan out? I think this is our conservative basis estimate.
- We will have to see and guide you better quarter-on-quarter. Coming quarters, double-digit is looking fairly significant and achievable. Would that be right? Coming quarters year-on-year double-digit growth?
- Sapnesh Lalla:** High single.
- Vijay Thadani:** Sorry? Yes.
- Sapnesh Lalla:** High single-digit, but close to...
- Rahul Jain:** Yes. Okay. So, I mean, I understand where you're coming from, but some of these data points when we highlight that our ex of RECO growth is so high and this visibility and everything. I think if it is -- if you could reconsider at a different point of time, a more wider band of guidance to probably explain what could be the possible outcomes because this number, if I include SweetRush probably reflects a significant deceleration. So it does not match us with the confidence generally that we are talking in our commentary.
- Vijay Thadani:** Sapnesh, you may want to respond to that. What he is talking about -- he is talking about in the coming quarter, the growth that we are seeking or we are guiding and compare that with how -- if you add SweetRush. SweetRush is still in ramp-up stage. So just explain without SweetRush all like this.
- Sapnesh Lalla:** Yes. Like I pointed out, there is significant volatility. So it's hard to be definitive about our guidance. I think that our guidance will be in the high single-digit range from an overall perspective.



Rahul Jain: Okay. Let me ask in a different way. I mean, I think we mentioned about our Confluence '26 happening in another event around the Client Advisory Board. Generally, what sense you're getting from it? I understand this happened in Feb and world has changed after that. So in general, from Confluence '26 or any other conversation, how you think the thought process are evolving with this macro input that we have?

Sapnesh Lalla: So like I pointed out, there is uncertainty in the market. We were not expecting the pullback that we saw in a couple of large clients till early February or actually until mid-February. So -- but it happened. So it's hard to tell where things might settle. In our conversations with our clients, they seem very confident in our abilities. They are open to trying out new things. They are being pushed to take cost out given the uncertainty that their own businesses are seeing.

There is a cost layering because of uncertainty in their -- in our clients' overall business. So there is caution on discretionary spend. How long will that caution last? It's hard to tell. But at this time, given the uncertainty, there is a cautious approach. And therefore, we've been very conservative in giving an outlook.

Rahul Jain: Sure, sure. Just last one from my side. If you could share what was the visibility or MTS client addition that has come from SweetRush or have we not included that in our operating metrics yet?

Sapnesh Lalla: We've included a conservative estimate of visibility from SweetRush.

Rahul Jain: Okay. So the current numbers have those inclusion as well?

Sapnesh Lalla: Yes.

Moderator: Next question is from the line of Kunal Tokas from Fair Value Capital.

Kunal Tokas: My first question is, right now, the environment, as we have been saying constantly for the last few earnings call as well, is very uncertain and people are still finding new use cases, new ways to use AI. So my question is that, when AI, the technology becomes more widespread and the users have become established, maybe saying in a few years, do you think this technology will reduce or will it widen the gap between you and your competitors, between the competitors in the MDF space?

Sapnesh Lalla: So as I pointed out in my earlier comments, our AI-enabled revenue has gone up quarter-on-quarter. It was at about 11% in the previous quarter, and now it's more than 13%. We are seeing more adoption of AI-enabled services with our clients, specifically as they create value for our clients. Our clients are quite discerning, and they don't want AI-enabled solutions for the heck of it.

They want AI-enabled solutions that will move the needle on performance. We think that our investments in AI, both in terms of people as well as build-out of technology will enable us to create distance between ourselves and our competitors.



Kunal Tokas: In what way would you say the variables that matter the competitive advantage that mattered before AI in what way has that changed? I mean, what variables mattered before the onset of AI and what variables do you think will matter more now that AI is here from the client's perspective when you want to select a vendor?

Sapnesh Lalla: The biggest variable that will start changing is the movement from training to capability building and performance improvement. I think that's the most significant variable that's likely to change. In the past, most measurement of L&D was focused on how much training can you build and how much can you deliver.

I think as we move forward, the measurement would be on how much can you improve capability, how much can you improve performance. That's going to become the measure. And I think AI enables us to create that connection between L&D investment and performance improvement.

Kunal Tokas: Okay, sir. And can you also please talk about the -- if I understood it correctly, the proprietary simulation engine that you are building?

Sapnesh Lalla: The best way to learn something is to practice it. And as you're practicing, if you make mistakes to get feedback or coaching on, so I don't know if you played a sport, but to learn how to play a sport well, you often have to practice a lot, and it helps if you have a coach who could give you feedback on what you're doing right versus what you're doing wrong. And if you're doing something wrong, how to fix it.

I think the investments in simulation engine as well as coaching enable us to allow a student to practice in a safe environment. And then with coaching, enable them to get feedback on what worked and what didn't work and then have them try it over and over again until they get it right.

Kunal Tokas: So will this be sold as a separate product? Or will this be incorporated into the whole spectrum of services that you provide?

Sapnesh Lalla: We think our clients would like both the product and the services because there is -- while there is value in just buying the product, but for a simulation to be really good, not only do you need a good simulation builder, but also expert learning and development professionals who could understand the situation that a client is in and build the right simulations for them.

So we think that it will be both the simulation builder as well as -- because the clients are looking for performance improvement. And for that, they would need the right simulations, which would need the right simulation builder, but also the expertise to build them.

Kunal Tokas: Okay, sir. And the last question will be given the nature of the technology, how revolutionary it can become. People will have different views about the future of this technology. So is there anything that your competitors are doing that you have consciously stayed away from that you studied, but you thought that it was not the right path to pursue in terms of AI in terms of your future strategy?



- Sapnesh Lalla:** I actually could not quite get your question. Can you say it again? What our competitors are doing, but we've decided not to do?
- Kunal Tokas:** I wanted to emphasize some conscious decision that your competitors think is the right thing to do for the future and an important thing, but that you thought was maybe not the wise decision and you took a different path.
- Sapnesh Lalla:** Some choices that we have evaluated in great depth have been, should we just become a platform company or should we retain our service ethos while investing in platforms. And we deliberated a lot on that choice and we decided to stay the course on being a service company, but deeply enabled with investments in platforms and technologies so that our services can be built on top of technologies to ensure an efficient buildup.
- Moderator:** We'll take our next question from the line of Sankaranarayanan from Ithought Pms.
- Sankaranarayanan:** My first question is on our contract tenure. Earlier, it used to be in the range of 3 to 5 years. So because of, a, do you see any shrinkage in the contract tenure?
- Sapnesh Lalla:** We haven't seen any shrinkage in terms of contract tenures. We don't expect that to happen either.
- Sankaranarayanan:** Got it. Regarding our content creation business, what kind of productivity are you seeing because of the implementation of AI and whether if the productivity is being reinvested back to you or it is taken back by your clients?
- Sapnesh Lalla:** See, I think what we are starting to see is a departure from creating content the way content was created in the past. So our clients who are starting to take advantage of AI are starting to look at investments in content, which are more immersive and more simulation oriented. That's where we are seeing the move. We are not seeing clients looking for creating the same thing for less.
- Yes, some of them for lower-level training or compliance-related training would sometimes look at build-out of larger amount of content for the same cost. But more of our clients are looking at improving the immersive nature of content as compared to creating training that actually does not provide great outcomes.
- Sankaranarayanan:** So does that mean the legacy portion or the legacy mix of content creation is being solely moving away towards immersive learning so that the price stability that we are seeing in the content creation business will remain same in the upcoming years?
- Sapnesh Lalla:** I think it will progressively move towards immersive content. It will take time. It's not a switch that you can throw, but it will -- our content creation will move towards immersive content creation and simulation build-outs and deployment.
- Sankaranarayanan:** Got it. And finally, recently, one of our large tech client who is into infrastructure management, they have planned to announce layoffs for this financial year. So have we accounted that into our revenue growth estimates in FY '25?



Sapnesh Lalla: See, these dynamics are very interesting. So while there is headcount movement going on across a very large number of our clients, what they are also realizing is that the skills needed for their employees are changing at a very rapid pace. So while there is change in number of employees that exist at an enterprise, there is very significant increase in the need for deeper skills -- different skills. So there is this movement where there may be fewer employees, but their need for training is increasing. So we are seeing that balancing scenario.

Sankaranarayanan: So the reduction in revenue in the top segment, tech and telecom, it is not tied to the layoffs or the AI productivity. It's just the budget cuts by the client?

Sapnesh Lalla: Yes. It's a temporary budget pullback. I'll give you an example. I'm assuming...

Sankaranarayanan: Because the reason why I'm asking this question is because L&D budgets it pertained number of headcount into investment per headcount. So that budget is getting.

Sapnesh Lalla: Yes, that's exactly what I wanted to answer. So that's exactly what I wanted to address. So while you are right, on an average across many years, the thesis that you said is right. But when there is significant change, so for example, I'm sure you're familiar with IT services companies. I'm sure you see headlines that the role of programmers is changing dramatically. You also see that programmers should gain 60%, 70% in terms of efficiency and won't need programming skills over time.

But I think what you would also start seeing is that, new roles such as forward deployed engineers are starting to become very important for the growth of most IT services companies. Now until recently, that role did not exist. But as enterprise and enterprises have to build out these new roles and these are roles which you can't hire for. These roles will then start being created by employees who are getting displaced through training, and that starts to become our opportunity.

Moderator: Next question is from the line of Ganesh Shetty, an Individual Investor.

Ganesh Shetty: I just have one question regarding our business model. Previously, we used to get severely impacted by macro dynamic, but over a period of time, what I'm absorbing is, we are quite resilient with our business model and our visibility, maintaining our margins trajectory. So do you think that there is a sharp shift in our thought process of trying to change the ready to spend on L&D outsourcing in spite of discretionary spending limits? Can you please explain, sir?

Sapnesh Lalla: First of all, thank you for your kind words. Yes, we have been resilient over these past several years across COVID and then more recently, the wars and the tariffs and the other macroeconomic uncertainties that we see. Also, over these years, we've been able to take advantage of technology and innovation to improve the resilience as well as growth in our business. To answer your question on how you see outsourcing going forward?

See, as I mentioned in our discussions earlier, we have been fortunate to have a strong balance sheet that allows us to invest in new technologies such as AI, and we've been doing that over the last 4 years. Most L&D departments neither have the wherewithal nor the skills to invest in



innovation as we have been able to. And consequently, as they are called upon to deliver against new expectations, they are likely to feel overwhelmed.

And I think that creates opportunity for them to work with an expert who has been investing in the latest technologies, who has been able to build a strong point of view, who has been able to show evidence of performance improvement with the application of new technologies. So I think as we look ahead, these investments will enable us to create distinctiveness and enable higher levels of outsourcing to us.

Moderator: We'll take our next question from the line of Dishant Jain from Quasar Capital.

Dishant Jain: Sir, just one question on the forex accounting. How do we accounting the forex gain or forex loss in our financial?

Sanjay Mal: This is Sanjay. So we basically have a policy where there are hedges which are taken and these are basically taken for transfer pricing, which we have in India from the overseas entities. The overall, whatever are the matured hedges, they are accounted for on a quarterly basis. Whatever are near-term, not yet this thing will go through the currency translation result. So that is one thing.

The second is the balances which are coming through. Those balances, if they are outstanding, if there is a change in that, that gets reflected again in the quarterly results as at the end of the period change, which is the true-up of the currency.

Dishant Jain: Okay. So sir, in spite of the fact that the currency -- and USD has been rising, but we have been showing forex losses for the last few months. So any specific reason?

Sanjay Mal: Yes. So essentially, they are rising, but what happens is that, there is a -- the hedges are taken in stand-alone, they are not taking overseas. The overall impact, which is there on the unhedged is higher than the hedges effect. So there is a -- part of it is hedged, part of it is not hedged. Based on the hedge ratio, the overall impact in the near-term or rather the longer-term hedges, which are 12 months is higher than the quarterly change.

So if you look at the depreciation, which would have happened over a year where the hedges would have been taken is anywhere between 5% to 19%. In the quarter, it is about 2% or so. So the gain which you would have got in the 2% change is limited. But on the hedges, it would have been higher loss or MTM change. So the net effect is negative.

If I take -- just to give an example, if I take a hedge when it was, say, INR88 and I got a premium of INR2, I got INR90. That INR95, if today it is INR95 or INR96, INR6 actually will be a loss on the hedge, right?

Dishant Jain: Correct.

Sanjay Mal: Last quarter, I would have already -- yes, go ahead.

Dishant Jain: Yes. So basically, when this contract will get ended, you will see a reversal of these losses, right?



Sanjay Mal: No, we will fructify the whole thing. When the contract ends, basically, we fructify because we received the cash against it.

Dishant Jain: Exactly. So basically, you will see the difference of cash to you, right?

Sanjay Mal: No, that will not come to me if I sold it for INR90 and today, it is INR95, the INR5 would be lost. But if I have done it for which is going to mature 9 months later, that will carry, that I can recover.

Dishant Jain: Okay. And sir, the last one would be on like do we keep the currency benefit with us or should we pass on to the customers?

Sanjay Mal: I'm sorry, I couldn't get your question.

Dishant Jain: Yes. Do we see the currency benefit with us or should we pass on to the customers?

Sanjay Mal: It varies from various customers where there could be fixed price. There can be a little bit of a range in which plus/minus, if it is there, then it is passed on. But normally, we do not have this change, which is there in the contracts to be passed on to the customers.

Dishant Jain: So basically, we keep it.

Sanjay Mal: Yes.

Vijay Thadani: May I just comment? Sanjay, the currency loss recorded in our is in many ways, notional also, no. It's a mark-to-market.

Sanjay Mal: Mark-to-market on certain portions and realized also on certain portions.

Vijay Thadani: This is technical accounting. I don't know whether you should surmise from there. I'll tell you the policy, I'm saying it from a Board capital allocation and foreign currency management. What is our thinking? Our thinking is, we think we understand our business the best. And when we quote to our customer, we know what realization we want from that customer. We would like to protect that.

Now if after that, there is volatility, if the volatility is going to hurt us, then we at least want our profit protected because I think we understand our business well. I don't think we are experts on forex and neither do we claim to them. So -- and neither I'm not sure whether there are other companies who are in this business would also have such capability.

General principle followed is, protect your cost on the basis of the forex that you see in front of you. And on that basis, if you make better, very good. If you don't make better, at least you are protected. That's the approach which we take. Now because of that, there will be technical corrections from time to time.

Last thing I want to say is, our customers get served across the globe. Our customers get served across the globe from across the globe. So it is very difficult for anybody to go and protect forex



at least of all in a learning and training contract, a services contract. I'll just pause here if it adds any more value.

- Moderator:** Next question is from the line of Lakshminarayanan from Tunga Investments.
- Lakshminarayanan:** I just want to understand what was the...
- Moderator:** Sorry to interrupt. Can you use your handset mode, please? Your audio is not clear. I'm sorry, you're sounding muffled.
- Lakshminarayanan:** Is it better now?
- Moderator:** Yes. A little better.
- Lakshminarayanan:** Yes. I just want to understand what is the ESOP dilution one can factor in because when I look at the BSE table, it shows almost INR1.02 crores of shares in the ESOP pool. So I just want to understand that?
- Sapnesh Lalla:** Repeat your question again, we couldn't quite understand?
- Sanjay Mal:** Sorry, the vesting schedule for the granted options. Typically, we have a 3-year vesting schedule and 4 years after which 5 years. We have an exercise period for those. So on an average for each tranche, it could vary between 4 to 8 years in total. So an average of revenue could take 6 years. So a little -- I mean if they were to get -- all of them were to get exercised, then it probably be about 1% each year.
- Lakshminarayanan:** Got it. Okay. And next question is that what percentage of revenues are in the cost side and what percentage is the revenue side? And when you talk about AI-related disturbance or opportunity side is on the cost side or on the revenue side of the clients you're working with?
- Sapnesh Lalla:** When you say cost side or revenue side of the client, what does that mean?
- Lakshminarayanan:** I mean, let me be clear, right? So for certain clients, I understand that we work on the revenue side where the service which you offer is counted as a revenue for the client. In certain cases, you do the pure L&D things, which could be on the cost side, right? So as a percentage of our revenue, what is -- what comes from the revenue side enhancement and what comes from the cost side for us? And where do you see AI being playing a role?
- Sapnesh Lalla:** So I would -- off the top of my head, I won't be able to tell you how much of our revenue assists our clients to gain revenue versus on the cost side, though I would say majority of our revenue would be on the cost side as far as our clients are concerned.
- And what was your follow-up question on that?
- Lakshminarayanan:** In terms of AI, you said AI can be an opportunity. At the same time, you said that AI is also making people delay their projects. So I just want to understand which side do you -- the revenue side or the cost side where you see AI being having an impact?



- Sapnesh Lalla:** See, AI is affecting L&D positively. So whether we are on the revenue side of the client or on the cost side, it really doesn't matter. AI is making L&D more impactful. So as far as our clients are concerned, they are not seeing or they are not differentiating between AI for revenue-generating projects versus cost projects.
- As far as they are concerned, they're using or they are wanting to use our solutions that have -- that are AI-enabled to improve the effectiveness of learning and development. And the second thing I would say is the uncertainty that I mentioned is not induced by AI. The uncertainty is more macroeconomic in nature.
- Lakshminarayanan:** Okay. And what percentage of our revenues come from managed training and what percentage of revenue comes from mandatory use?
- Sapnesh Lalla:** Say that again? Managed training...
- Lakshminarayanan:** So what percentage is -- yes, managed training is how much and how much is...
- Moderator:** I request you to use the handset mode, please. Your audio is not clear.
- Lakshminarayanan:** Yes, I'm using the handset only. I just want to understand what percentage of revenue comes from managed training where we actually manage the entire life cycle of training? And second, what percentage of revenue comes from mandatory training? And...
- Sapnesh Lalla:** Okay. I would say about 40% to 50% of the training that we do for clients who are -- who operate in the regulatory businesses is mandatory training. And I would say with the exception of clients in technology and telecom, the rest of the sectors we serve tend to be regulated sectors. So I would guess that of the total revenue, about 30% or 35% would be mandatory training.
- Lakshminarayanan:** Okay. And where -- what percent of the revenue coming from managed training where you actually manage the entire cycle of training end-to-end?
- Sapnesh Lalla:** I mean we -- all of our business is training outsourcing. So I'm not able to discern what you're looking for.
- Lakshminarayanan:** Looking at something like you deliver a point solution, let's say, a new employee joins you actually provide the course content versus where you actually run the program, you actually evaluate and you have...
- Sapnesh Lalla:** So point solutions as a percentage of our revenue is negligible.
- Lakshminarayanan:** Okay. Okay. And when you talk to your top 20 clients, you mentioned that they are actually tightening their process. So can you just double click and just help me understand what do you actually hear from your top 20 clients? I mean, why are they pulling back their spend? Any specific use case would be helpful to understand what's actually going on, particularly among the top 20 clients.



- Sapnesh Lalla:** Like I pointed out at the top of the call, they see uncertainty in the market. And so it's hard for them to get budgets for discretionary spend, and that's what's causing them to -- I mean, they are just going through higher levels of scrutiny for discretionary spend given the market uncertainty.
- Lakshminarayanan:** Got it. And there's another thing which I understand is that some training goes under the CHRO, which is the Chief HR Officer and some amount of training is directly handled by the CFO's office, right? So -- and in our case, just as a thumb rule or just overall, what percentage of our revenues would actually come under the CHRO and what could be under the CFO's restriction?
- Sapnesh Lalla:** I don't think we do much, if anything, under the CFO. I would say close to 100% of our revenue, which is internal in nature would be with the CHROs.
- Moderator:** Next question is from the line of Vinay Nadkarni from Hathway Investments.
- Vinay Nadkarni:** I just have a few questions. One is when you look at -- you are saying you have added 21 new annuity clients during the year. You have expanded with 4 clients. You have acquired MST and SweetRush this year and AI is driving 15% of your revenue, almost 13% of your revenue. And rupee is depreciating, forget this year, but generally 2% to 3% depreciation in rupee.
- With all this, your growth of 9% or rather even if I take the highest of high single-digit, how does it stat? I mean I can't understand. Your 21 new clients would deliver more business this year being annuity? Or are you losing out some more business, which is compensated by this?
- Sapnesh Lalla:** I couldn't actually quite understand...
- Vijay Thadani:** So let me explain. What he is saying is AI contributed 12% of your revenue, 13%, you have added 21 clients. You're doing everything right, then why do you have only a single-digit growth? Is that -- did I say it in simple words?
- Vinay Nadkarni:** Yes, absolutely. And you add 2% depreciation in Indian rupee also?
- Sapnesh Lalla:** So in constant currency terms, just so that we are measuring taking out the depreciation of rupee out of the picture. In constant currency terms, our business grew about 11% on a year-on-year basis. Second, all clients that we acquired did not start in April of 2025. They have been acquired over the period of 1 year. So it would not be right to assume that each one ramped up to their maximum potential the day they started.
- Over a period of a year or so, they typically ramp up. So in a typical year, most of our growth would come from growth in existing clients because new clients take time to grow. In this specific year, we've seen growth because MST and SweetRush became part of NIIT. And we've seen existing client growth. So if you were to look at organic growth, we did about 7% growth for the year organically in constant currency and a large percentage of that growth.
- So our existing clients did 4% -- we had 4% growth. So out of the 7%, 4% growth came from existing clients. 3% came from new clients and approximately 3% or 4% came from inorganic activity, which included SweetRush and MST.



- Vijay Thadani:** Last year, you had RECO, which has impact and so on, which is actually making you wonder the way.
- Sapnesh Lalla:** Also several million dollars of revenue from RECO did not in this year. So if you were to net out the real estate contracts, then the growth in constant currency terms for organic business would be about 14%.
- Vinay Nadkarni:** I'm looking at the F '27 guidance that you have given.
- Moderator:** Sir, may we request that you return to the question queue?
- Vinay Nadkarni:** No, no, no. I'm just following up on the same question because my question was for F '27 guidance of 9% or rather the high single-digit. With all these new clients, expanded scope with 4 clients and acquisitions which you have made last year, wouldn't your sales be higher in the F '27 than just 9%? That's what my question was.
- Vijay Thadani:** It would be higher if there was no impact of macroeconomics on our clients. Yes, you're right. If the same client keeps spending the same amount of money in the coming year, you're absolutely right. We would be seeing significant growth because the 21 clients that we acquired this year would produce more revenues. That is not rocket science. That is straightforward.
- Vinay Nadkarni:** So there would be wallet share loss you mean.
- Vijay Thadani:** No, not wallet share loss. Actually, it will be wallet share gain, but the total pie would go down, like I pointed out earlier, an organization would cut down on their discretionary spend. So if they were spending \$100, they might spend only \$80. Now out of that \$80, our wallet share may actually increase rather than reduce. Sorry, say that again?
- Vinay Nadkarni:** I'm saying that U.S. economy is supposed to be doing better and your clients are more based in U.S.
- Vijay Thadani:** No. I mean if you want to joke on this call, we can be joking and talking about macroeconomics. But I think you are as aware of macroeconomics as I am.
- Sapnesh Lalla:** We can take from each. Let's take one quick question from each. I just wanted to say we will be in Mumbai like customary at the end of quarter on Friday and those of you -- coming Friday. And those of you who would have some follow-up things, please be in touch with Kapil and Kapil will be very happy to organize a meeting call or whatever is required. And at this point of time, since you've taken the trouble to be with us, we'll take one question each, if that's okay with everyone.
- Moderator:** The next question is from the line of Bharat Gulati from Dalal & Broacha.
- Bharat Gulati:** Just a very quick question, sir. You had earlier reiterated in the start of the call to an analyst question that you are seeing the net retention rate being strong with customers. Would there be a quantifiable number you can put to that, what has been our historical NRR and what do we see it going into FY '27?



And just some kind of -- I think with the questions that you've gotten today, I think we're just trying to understand what is the customer outlook for FY '27 and how do we see existing customers grow because high single-digit guidance has somewhat proven to be a flattish to even a degrowth scenario in our organic business. So just trying to get a sense of that.

Sapnesh Lalla: So like I pointed out, if I have the crystal ball, I would give you all the details available. But unfortunately, I don't have one. Your guess on macroeconomics is quite like my guess. And at this time, we believe that we should -- on a conservative basis, we should be able to do high single-digit growth for the year.

Bharat Gulati: And sir, just in terms of NRR, is there some number you can -- some directional kind of number and historically...

Sapnesh Lalla: We can ask the same question in 5 different ways. But like I said that we think that on a conservative basis, we should be able to achieve high single-digit growth.

Vijay Thadani: I think what we are talking about -- I'll just add to what Sapnesh said, while we have mentioned high single-digit growth for the year, I'm not sure whether you can predict that for any business anywhere in the world at this time. The question is, we are putting our best foot forward based on our understanding and some assumptions that we are making. I think it will get titrated as we go forward. That's one thing which we can say. So I think every quarter, we would be able to talk to you a better color on how the rest of the year is likely to look.

Bharat Gulati: Got it. And sir, just had another question...

Moderator: Sorry to interrupt, Mr. Gulati, may we request --. The next question is from the line of Gaurav Nigam from Tunga Investments.

Gaurav Nigam: Yes, sir, just one question on this difference between the Q4 performance we envisage versus what we delivered. Can you -- I mean you mentioned that this was driven by a few -- I just want to understand, was it a single client and maybe a specific case or was it broad-based deceleration? And can you provide some color on where exactly this deceleration happened?

Was it part of the managed services part of the business or the discretionary part of the business and did we lose share to somebody? Or was there a case of insourcing? If you can provide the color on this budget is actual for Q4 or for our organic business, that would be great.

Sapnesh Lalla: So it was a couple of clients and significant clients and it wasn't loss of share to anyone else. They just decided, like I pointed out, to pull back the budget, which means they did not spend the planned amount of money what we expected them to spend at the beginning of the quarter. And we think that in Q1, they'll bounce back.

Moderator: The next question is from the line of Pranaya Jain from Banyan Tree Advisors Private Limited.

Pranaya Jain: So I'll just continue with the previous participant's question. When we look at, say, your technology and telecom segment, your Industrial segment, your management, consulting and professional segment, all 3 have degrown on a Q-o-Q basis. So just wanted to understand and



get more color on are you facing deflationary pressure from other clients as well apart from the 2 big clients that you spoke about? Yes. And just one small question. Can you provide Q-o-Q organic revenue growth?

Sapnesh Lalla: So let me try to answer your first question first. The fact that one segment goes down is also because another segment went up. The sum of all is 100. So one of the segments went up significantly, which resulted into a number of other segments shrinking because the sum of the total is 100. I would say one of -- like I pointed out, one of our -- a couple of our clients had material but transient pullbacks in their budget, which should be restored in Q1.

Pranaya Jain: Okay. So I'm looking at an absolute basis, like when we just use those percentages and multiply it with our overall revenue. And then when we compare the absolute numbers, we still see degrowth in these 3 segments that I talked about and hence, the question.

Sapnesh Lalla: I get that, but that's why I said a couple of our clients had material pullbacks because of our budgets. What I did want to point out, however, was that we did have significant growth in other segments as well. And the nature of the budget pullback is temporary.

Pranaya Jain: Sure. And can you just...

Vijay Thadani: So your question was on Q-o-Q growth, what was organic, which is in reported terms, minus 1% Q-o-Q organic. And in constant currency, it was -- in constant currency, minus 4%.

Sapnesh Lalla: Minus 4% organic.

Moderator: Ladies and gentlemen, we'll be taking the last question. That is from the line of Shradha Agrawal from Asian Market Securities.

Shradha Agrawal: Just one clarification on the guidance for next quarter. So you're indicating double-digit Y-o-Y growth, but what is the implied sequential growth given the fact that you are talking of bounce back in spending in the top clients in which you saw pressure in this quarter?

Sapnesh Lalla: See, like I pointed out, we are likely to do high single-digit Y-o-Y growth for the year. And in Q1, we have an opportunity to do double-digit.

Vijay Thadani: What she's saying is what does it imply Q-o-Q. Shradha you know us well. I think you should keep a track of us given the seasonality and now the multiple businesses that have got added to keep a track of us on a year-on-year basis will be the best way to see. A simple mathematical number, we'll give it to you. Kapil?

Kapil Saurabh: Low single-digit.

Sapnesh Lalla: Low single-digit.

Vijay Thadani: Low single-digit.



Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments.

Vijay Thadani: Well, I think we've had a pretty involved discussion. So first of all, I want to thank each one of you for having joined the call. I know it's a very precious time of yours and in this very volatile, very interesting and very energizing time, at the same time, staffing because of the multiple stresses at work. So thank you for giving us the time and bigger thanks for asking us the very important questions, many of which tell us to keep track of a few numbers that we normally in our normal course of business did.

I don't know whether any one of you noticed that there are some new metrics that we have started sharing, net revenue retention being one of them. And I think going forward, you will see that as a common thread. And this all we learn from the questions that you asked, and we'll be in touch with you on any other clarifications that you would need.

As well as I mentioned before, on Friday, we'll be in Mumbai to start with and of course, even after that or in the coming months. And feel free to set up a meeting or a call or any detail that you would like to have from us. Thank you once again for joining us. Truly appreciate your time.

Moderator: Thank you. Ladies and gentlemen, on behalf of NIIT Learning Systems Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.