



Mahindra Satyam Earnings Conference Call

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C P Gurnani – Chief Executive Officer, Mahindra Satyam
S Durga Shankar – Chief Financial Officer, Mahindra Satyam
Rakesh Soni – Chief Operating Officer, Mahindra Satyam
Rajan Nagarajan – Chief Information Officer, Mahindra Satyam
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Vijay Rangineni – Chief Executive Officer, Mahindra Satyam BPO

Moderator:

Ladies and gentlemen! Good morning, good afternoon, good evening and welcome to the Mahindra Satyam Earnings Conference Call for the years ended 31st March 2009 and 31st March 2010. As a reminder for the duration of this conference, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

At this time I would like to hand the conference over to Mr. Vineet Nayyar, Chairman of Mahindra Satyam. Thank you, and over to you sir!

Vineet Nayyar:

Welcome, ladies and gentlemen. Good morning, good afternoon, good evening wherever you are. And so far as we at Mahindra Satyam are concerned I do believe that today marks a major landmark in our journey towards normalization in this company. We have declared the Indian GAAP results for FY '09 and FY '10 earlier this evening.

Before I get into the numbers I would be remiss in not pointing out the immense effort and time which has been spent by our employees, especially in the Finance department. As you know, on January 7, 2009, following the confession to accounting fraud and subsequent resignation of the Chairman of Satyam left the company, clients, employees and investors in significant turmoil and caused what is considered to be the biggest crisis in the Indian corporate history. As additional details of the fraud emerged, it became evident that the fraud was perpetrated by select group of individuals who overstated the financial performance and it did not reflect a failure of Satyam's business and the organization's operating skills and its business model. While the government and judiciary took action with the fraud perpetrators, a massive effort was needed to protect the interests of Satyam's employees and clients as well as to uphold the image of the industry and of emerging India.

In our opinion we have done extremely well when compared to the global standards in terms of turnaround time taken to restate our numbers. A number of companies that went through similar situations have taken a longer period to restate even up to five years or more. What is for us more commendable is when you compare the time to state versus the complexity involved here. Some of the key highlights are as follows:

Revenue was overstated by 5,362 Crores over a period of 6.5 years, from April 1, 2002 to September 30, 2008. Cash was overstated by 5,294 Crores as of September 30, 2008. Most of the details of the other aspects are in stock exchange release and are on company's web site. Our company felt the impact of the fraud and it was manifested across various aspects. There was customer restlessness resulting in some amount of attrition. Employees are obviously nervous, resulting in exits. Further compounded was the factor of excess employees in the system. There were delays in collection of dues from customers and our ability to meet contractual obligations in certain contracts on time. The past year has indeed been challenging. But we do believe we have been able to retain customers and in certain cases grow them so that just 480 days since Mahindra Group acquired Satyam and sought to stabilize the company, we now have a new tomorrow to consider.

Coming to the numbers, revenue in FY '09 was around 8,800 Crores. Net income was negative 8,176 Crores. Due to the circumstances we had to take some exceptional charge on our P&L due to the fraud. Before exceptional items our EBITDA was 301 Crores in FY '09 and the net income was 184 Crores. So in other words, whereas the net income of that year was 184 Crores, there were a large number of exceptional items which bloated the loss to this huge number I referred to.

In FY '10, our revenues were 5,480 Crores and our net income was negative 124 Crores. However, before exceptional items, the EBITDA was 456 Crores and net income was 293 Crores. Now, let me refer to what it is that we imply by exceptional items. These are items which do not pertain to the industry. They are either adjustments on account of fraud, but for FY '10, they are adjustments on account to one-time expenditure which had to be done by the company for meeting the peculiar situation for rationalizing or for downsizing. So, the amount of money we spent on Virtual Pool; amount of money which is going into litigation, pertaining to the fraud, not normal litigation contractual legal; downsizing or buying out real estate contract so that we could get out of the contract - all these items we have declared as being extraordinary. So if you were to look at the company as is and it was working normally I presume our EBITDA for the current year would be around 8.4% in relation to 3.6% in the last year. So this net-net indicates the current state of health of this company financially. Now, I will ask my colleague, CP Gurnani who is the Chief Executive Officer of this company to give his views on how we stand today.

CP Gurnani:

Thank you, Vineet and thank you friends. Ladies and gentlemen, I am really grateful to all of you for your support during the most difficult times for the industry as well as Mahindra Satyam in general over the last 600 plus days. It does not matter; the fact is that on 16th of December, once that announced merger took place on 2008, things did start going to a spin, and that on 13th of April 2009 when we were declared the bidder or on 27th of May when we were allowed a proper access to the company's management. I think it was a very deep slide, it was a deep cascade that happened but as you have heard from Vineet, that overall, the company has been able to not only survive the shock, but is today in very capable hands.

And I had invited the whole management team to come and join us on this conference call. With me today are Hari T who is our Chief People Officer and also our Chief Marketing Officer. I have Rakesh Soni, who is our Chief Operating Officer and President of the company. He looks after the delivery and the administration. I have Rajan. Rajan is Head of our Enterprise Business Solutions, one of the very important service offerings from the Company. Then I have AS Murti who is the ex-CEO of the company and also the CTO of the company. I have Vijay Rangineni, who is the CEO of our subsidiary for BPO. I have Durga Shankar with me who is the CFO of the company and then we have one of our most energetic people in the company, Atul Kanwar, who looks after the global operations.

So, in general, what we are trying to really stand up and salute is to our customers. They have been our assets and no words will suffice to thank them enough for having stayed with the company which got hit by probably an accident that is very difficult to explain and I know Vineet has given you a picture of the starting 2002 to just to explain to you the extent of that damage was. But overall, we genuinely want to thank our customers who have been our partners, who have indeed been with us and stayed with us during this journey. Our associates, our employees are the real spirit of the company; they are the people who have continued to deliver. The fact is that the company inherited 315 customers and all these customers have continued to give extension of the contracts, have continued to stay with us. I mean, this is only because of the investments that we have done and continue to invest in technology, but more important is the confidence that our associates have had in the overall direction of the Company, overall vision and the mission of the Company. So, in terms of the way our go-to-market is structured at the moment, we are really working on three fundamental advantages as I see: One is what I call the Satyam Advantage, which is the Mahindra Satyam

advantage now, which is a company built around the enterprise business solutions, business intelligence, engineering services, infrastructure management and also our capability to do some niche service offerings in BPO. The second advantage is what I call the Tech Mahindra Advantage. Tech Mahindra advantage is clearly the one that differentiates us in the business market. Number one is Mobility Business Solutions and Number two is overall understanding of the market which works on 5-9s for a living. I mean you do not work and design an application where you get to see a dead dial tone and that is where I see that as a Tech Mahindra advantage. We collaborate with them in areas of BPO, Infrastructure, Mobility Business Solutions and some of our horizontal business service offerings. The third advantage is the Mahindra Group. Mahindra Group has, as you know, ten large divisions. The Mahindra Group has some of the divisions built around manufacturing. Whether that is the newest baby on the block like aerospace or mature manufacturing groups like farm equipment sector and automotive sector.

Overall, my belief and the way I have tried to leverage is that we can take advantage of the domain skills and the experience that comes. We offer that as a choice to our customers and in many cases we have seen that people have readily agreed to come and visit with us and look at some of the best practices in manufacturing, some of the best practices in innovation which comes outside the IT industry, and seen that in many of the Mahindra Group sectors. So, overall, all I can tell you is that the Company has survived the loss of customers; they were not insignificant as a matter of fact, some of our best known customers. As you all know, that whether it was a Coke or Telstra that decided to go away. But we still inherited about 315 customers, we still inherited some of the best known logos in the world, we continue to build with them. So our strategy, clearly as we go forward, is to continue to invest in our competencies, continue to invest in innovation. As a matter of fact we have three task forces, which are leading the transformation. And one of the task force looks at growth which Atul personally runs it because he is the guy who takes into account what the needs of the customers are, what the needs of the new customers are or prospects are. The second task force and the whole division which is built around technology and innovation is run by AS Murti, whom you all know is a 29-year veteran and also is one of the best known faces of Satyam. I mean, he leads it personally. And third area around operating metrics which is co-managed by our Chief Operating Officer, Rakesh Soni and Durga. And ultimately on operating metrics, we are looking

at all the questions that you have: we are constantly looking at pricing, we are constantly looking at margins, we are constantly looking at our utilization, we are constantly looking at all the operating levers. So, what I wanted to really establish as we talk during this next 30 minutes is that the company Tech Mahindra did take a calculated risk but as you would go through this conversation with us, you would realize that it was done at the right time and it has not only been a good risk management from our perspective in Tech Mahindra but overall, also the team is enthused and in generally, rallying together to complete this transformation journey where we do believe there are additional work left for the 18 or 19 months. So with this I am going to request the operator to throw it open for questions. And I and the rest of the management team will make all attempts to give you the answers.

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

Kawaljeet Saluja: Can you talk about the exit rate for both revenues and margins?

Durga Shankar: As you would have seen we are announcing our annual numbers and as we have a special dispensation, these numbers are not given in quarterly terms. So at this point in time what we are giving you is annual numbers. Hence I am not in a position to actually clearly indicate what the exit numbers are for the quarter.

CP Gurnani: Kawaljeet, 45 days more on 15th November or earlier we would endeavor to come back to you with our Q1 and Q2 results and that is the time when these questions will be answered in full detail.

Kawaljeet Saluja: Right. Can you just briefly talk about the liabilities which has been crystallized but not paid till March 31st 2010? And if you talk about the status on various liabilities and any potential suits filed against Mahindra Satyam?

Vineet Nayyar: I think, Kawaljeet, most of the liabilities have been extinguished and other than class action suits, because of that we do not know what the liability is. It spans the entire spectrum: from on paying off debt to giving money for certain liabilities which were created under various contracts which Satyam had entered into, in addition to making payments for substance, for new acquisitions which Satyam had done but not paid. So almost every liability has been extinguished other than at this point of time except the class action suit.

- Kawaljeet Saluja:** Right. Finally, what has been the costs of retaining the customers if there was any over last year or so, whether in terms of pricing or concessional or special contractual structures and has that in any way materially changed your pricing and potentially profitability structure relative to your peers?
- Vineet Nayyar:** I do not recall any deduction being made for reason of extending a contract. There have been instances where we have gone in and secured price increase, but I do not believe we have reduced the prices in extension of any contract.
- Kawaljeet Saluja:** Sure. Thank you. All the best.
- Moderator:** Thank you. The next question is from the line of Ashwin Mehta from Nomura. Please go ahead.
- Ashwin Mehta:** Yes, just wanted to get a sense in terms of the quality of our receivables. We have around 923 Crores outstanding. What proportion of that would be more than six months?
- Durga Shankar:** At this point of time, on quality of receivables, you would have seen there is a provision made under exceptional items and for the year 2009 it is about 419 Crores. And as far as '09-'10 also, there is a reasonable provisions that have been made but they are not classified as exceptional. So you can rest assured that the qualities of receivables have been taken care of by adequate provision.
- Ashwin Mehta:** Yes, just wanted to get a sense of, if there are any portions of these receivables which are pending from the clients which have ramped down in terms of business?
- Durga Shankar:** It is difficult to specifically cull out with the outstanding from customers who are ramping down or not. But, as I said, there has been adequate provision made. That is not at all a cause of concern at this point in time.
- Ashwin Mehta:** Okay. Are there possibilities of tax benefits given the accumulated losses that Satyam was running at in the past, going forward?
- Durga Shankar:** The matter of tax dispute has also been actually in detail explained in our press release. Fundamentally, this is an issue that has disputes connected with that. So, it is a bit premature to hazard a guess on how much would be the refund if any or would there be ultimate tax demand which is a position which we have also taken in our notes. We have clearly stated that we have been

professionally advised to leave the provision as it is and not really tamper with it by the adding or withdrawing at this point in time.

Ashwin Mehta: Can you give us a sense in terms of the tax rate going into the future?

Durga Shankar: As far as last year was concerned there was hardly any tax except what was paid abroad. And going forward it would depend upon this year's revenue. Ideally, I would not like to hazard a guess on that.

Ashwin Mehta: Okay. In terms of the headcount that you have stated, 45,000 and 27,000, are these the closing headcounts for FY '09 and FY '10?

CP Gurnani: Ashwin, you are right. These are the closing numbers.

Ashwin Mehta: Okay. Thanks a lot.

Moderator: Thank you. The next question is from the line of William Miller from JM Hartwell. Please go ahead.

William Miller: Thanks very much. Could you give on the background a little bit on why you are delisting from the New York Stock Exchange? And then there is a somewhat ambiguous at least the size I was concerned. Now, it is about Mahindra to announce Satyam Computer merger intent in two to three weeks. Could you give us a little colour on that? I have no idea what that means.

Vineet Nayyar: Let me talk of delisting first. As you are aware that you have to be current in terms of accounting in US GAAP with NYSE and if you are not current for six months you can be delisted. While we have been able to produce the Indian accounts according to the Indian auditing accounting practices, we have not been able to do that for US GAAP, because it was a very complex fraud, it will take us another six months to eight months to complete the US GAAP accounts, which will then be filed with SEC and then we will become current. The choice was either have NYSE delist us or we voluntarily delist. We, in conversation with NYSE, decided that we will delist voluntarily and the share will be traded now in the OTC. And that is exactly what will happen. So that is so far as delisting is concerned. Will we go back to NYSE once we are current with under US GAAP; we have not taken a decision on that yet.

William Miller: There was an announcement dated this morning which says Tech Mahindra to announce Satyam Computer merger intent in two to three weeks.

Vineet Nayyar: I think there has been a misreporting here. It has always been the intention of Tech Mahindra when it acquired Satyam that these two companies will merge but even the process cannot be initiated till we are current in terms of Indian accounting standards and we will not be current till November 15th or so when we published the results of Q1 and Q2 of this year. Once that happens, the Board will consider the process of merger but that process takes normally nine months to a year. So I hope that kind of corrects the perspective, it is not something which can or will be done instantly or in the next five days to 10 days, we are still away from it by at least one year.

William Miller: The ultimate intent of Mahindra's is to combine the two companies?

Vineet Nayyar: Yes, clearly. And that was stated upfront back in April 13th of last year, the day we won the bid.

William Miller: So the question start obviously is valuation thereof, is that a fair statement?

Vineet Nayyar: In terms of valuation, there is elaborate process in India of how the valuation is done. You first move the High Courts, when they give the nod, then you appoint accountants which will do fair value valuation of both the companies. They will propose certain swap ratios which will then have to be approved by the Board of the two companies and by the AGM. And obviously, we will follow the procedures which have been established in India for the merger.

William Miller: Great. And finally, as we look out over the next six months to nine months which is when this process will start taking place obviously consideration of valuation anyway can you give us some clue on the expected trend in margins and the trend in revenue and since Infosys and Cognizant Technologies are comparable companies in some ways will your margins ever get to that point again and what will it take to get there now?

Vineet Nayyar: Sorry, we cannot make futuristic commitments, statements or projections. That is not the policy of this company.

William Miller: Is there anything that structurally would prohibit you to getting back to your traditional margins which would be comparable to those or other competitors?

Vineet Nayyar: Well, our traditional margins of Satyam were already 3%, that is easy, that is already done. If you are talking of the industry that will be our endeavour, but let us see how it works out.

William Miller: Okay. Thanks a lot.

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

Sandeep Shah: Just in terms of the cost items like the employee cost for FY 2010, I guess is not been normal because you have introduced Virtual Pool program plus there was some variable pay cuts. So is it fair to assume that in FY 2011 you will have a normalization of your FY '10 employee cost and over and above that you will have a wage inflation which is normal for the FY '11?

CP Gurnani: Sandeep, we are quite conscious of the two factors that you mentioned. That is number one: the percentage of employee cost to our revenue. In our opinion, we will have this for a brief period of time much higher than the industry. For a simple reason the company as you know many CFOs around the world were waiting for these results to be stated because it became a compliance requirement for them. So all I am trying to say is that the company will hit the growth curve, it will be slightly gradual and once we start sustaining the growth then this percentage will come down. That is the employee curve.

Sandeep Shah: The first part is the employee cost normalization which is like the 4,000-odd Crores which we have shown. I presume that it is not a normalized run rate. And the second is FY '11 wage inflation?

CP Gurnani: FY '11 wage increases to some extent had been already factored in. I mean an average increase but you would not see them because as I said, you will have to wait for the Q1, Q2 results but you are not wrong that the growth would be gradual whereas some of the costs would come in. All I am trying to say is that overall the company is conscious of some of these operating levers and is constantly working.

Sandeep Shah: And you also made a statement on the media that you may take 1.5 to 2 years to go to the industry standards, so to analyze the statement, does that mean that you are looking at industry standard, a) in terms of utilization, b) in terms of the revenue growth rates, and c) in terms of EBITDA margin. This is what you were broadly indicating that it may take 1.5 to 2 years?

Vineet Nayyar: That is right.

Sandeep Shah: Okay. And third in terms of facility consolidation, is it being fully over or more time to say the depreciation expense may further go down?

- Vineet Nayar:** Well, we have started putting up certain buildings on our own. Capital expenditure is taking place. I think we have already spent over 100 Crores or 120 Crores on this. The idea is that this will bring down our SG&A, in terms of rentals will come down; we will move people from rental building to our own building. These were structures which had been put up by the previous management, but they had been abandoned for lack of funds halfway through basically they were just civil structures which we are now completing. This is again our endeavour to bring down costs.
- Sandeep Shah:** Okay. And just lastly on the balance sheet, there is investment item of 627 Crores. What is that?
- Durga Shankar:** Are you talking about the consolidated balance sheet?
- Sandeep Shah:** Yeah.
- Durga Shankar:** These are our subsidiary investments.
- Sandeep Shah:** Okay. Because it is consolidated that is why I thought.....
- Durga Shankar:** There are also other investments, apart from that; we also have investments out of our surplus funds that also come in.
- Sandeep Shah:** Okay. So these are like part of the cash and cash equivalent?
- Durga Shankar:** Yeah. Overall cash which we had just stated as on date is in excess of 2,900 Crores on that.
- Sandeep Shah:** Okay. So of the 627 Crores, what would be the cash, cash equivalent?
- Durga Shankar:** Overall cash is a good way of that. What you are saying is consolidated. My answer to you was on standalone.
- Sandeep Shah:** Okay. Thanks.
- Moderator:** Thank you. The next question is from the line of Vikram Kotak from Birla Sunlife Insurance. Please go ahead.
- Vikram Kotak:** Actually I did not get your press release, what is the cash balance as on March 2010?
- Durga Shankar:** 2176.

Deven Sangoi: Congratulations on the turnaround. This is Deven Sangoi. I would like to know what is the status of our bidding in the large outsourcing deals? And what will be our strategy going forward for the same?

CP Gurnani: Deven, in terms of large deals it is a full recovery program because the fundamental fact is that as you know in this industry there are two hugely influencing factors. Number one is the analyst who covers the technology sector. The second part is that we also have huge influence from the overall, what I would call CXOs in that organization. So in a lot of ways our lack of statement of accounts was a dampener in our being able to participate in the large deals. Just to demonstrate, that we have planned a series of events. So for example, today, we are talking to you. Then on 19th of October, we are taking this in a road show to London, where all the industry analysts from Gartner, Forrester, the whole lot, I mean, the TPI would be together, where we will share with them, not only our competency roadmap, but also some unique experiences. Similarly, the same road show is being taken to Boston on 21st of October. We are also going to do a series of communication, targeted at the CXOs so that we can get back into the large deals. I mean, there is a lot of catch up to be done, Deven, there. And that is why I said it will be a gradual process of hitting that growth numbers which you would expect from a company of our size or references.

Deven Sangoi: Thank you.

Moderator: Thank you. The next question is from the line of Shrinivas Seshadri from RBS Equities. Please go ahead.

Shrinivas Seshadri: Just had a question on the cost items in two parts. Just wondering if you could possibly share how much you spent basically on the Virtual Pool last year and also on the rental and facility cost last year which would have been in the operating cost.

Rakesh Soni I think the cost reductions have happened by way of Virtual Pool Program as well as some of the natural attrition. Leaving that exclude from the Virtual Pool Program, we are in the region of about \$110 million per annum. As regards to real estate savings, I think what we have done was that: we had vacated some of the existing premises and also looked at some of the other premises which we have taken up in the hope that the company is going to be growing to a much higher number. So the overall numbers of savings were in the region of about 260 Crores per annum by considering both the factors.

- Shrinivas Seshadri:** Sorry. To clarify does this 260 Crores also include the saving on the headcount?
- Rakesh Soni** It was the rental and the other savings in terms of the utilities and other things. The manpower cost as I said earlier is of the VPP program was about \$110 million per annum.
- Vineet Nayyar** Let me put it in another way that we have saved around 1100 Crores on operations and maintenance. This does not include the salary of employees which have come down because of reduction. But it does include payment paid for VPP, Virtual Pool Program to the employees that was the cost of running that program.
- Shrinivas Seshadri:** On the Virtual Pool Program, can you also share how much you actually spent in terms of paying the employees on the Virtual Pool last year?
- Durga Shankar:** This as well as rental restructuring cost which Rakesh was referring to has been specifically considered as an exceptional item and you would see the total amount that is so considered is 934 million.
- Shrinivas Seshadri:** Okay. So whatever was paid for the Virtual Pool is actually classified under 'Exceptionals?'
- Durga Shankar:** Yeah. Good chunk of it. That as well as, as I said, these are all called rightsizing expenditures and that has been so classified.
- Shrinivas Seshadri:** Okay, thanks. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Prateesh Krishnan from Bank of America Merrill Lynch. Please go ahead.
- Prateesh Krishnan:** You have this amount in the balance sheet, the amounts and the investigation to the tune of Rs. 12 billion. Can you clarify in terms of what exactly this amount is and what is the liability here?
- Durga Shankar:** This is an amount, there is also a note attached to it, which gives you in detail what it is. There are some 37 companies which we have said that allegedly that they had given advance to the company, however, this matter is under investigation and this amount relates to that.
- Prateesh Krishnan:** Okay. Thanks a lot.

- Moderator:** Thank you. The next question is from the line of Sandeep Muthangi from IIFL. Please go ahead.
- Sandeep Muthangi:** Hi, good evening. Just had a question on line item in your balance sheet. It would be great if you can clarify the item, 'Miscellaneous Expenditure' which is about 2800 Crores as of March 31, 2010.
- Durga Shankar:** This is because of the past losses as well as the write-off. Miscellaneous amount, it will be the debit balance in the profit and loss account which occurs as a result of the losses of, all those fraud items, everything was reversed and the consequence of that.
- Sandeep Muthangi:** Would it impact the P&L going forward?
- Durga Shankar:** In the past. Actually once these have written off and provided for it, it should not affect the future.
- Sandeep Muthangi:** Okay. Thanks.
- Moderator:** Thank you. The next question is from the line of Yogesh Agarwal from HSBC Securities. Please go ahead.
- Yogesh Agarwal:** Hi, going back to the Virtual Pool question, when you exited FY10, how many people were sitting on the bench, what was the utilization that time in the 27,000 employees?
- Durga Shankar:** As I explained at the beginning of the call, at this point in time we are talking about the annual accounts. And in 45 days' time we will be talking about Q1, at that time we will have far greater clarity on the quarter wise. For FY10, there is no point in talking about a particular rate unless we talk about the quarter exit, because the entire year as you could have seen it starts at 8,000 revenue as well as, in that 5,000, and there has been quite a bit of movement of people also. Starts 40,000 and end of it, 27,000. Since you are talking about exit, without talking
- Yogesh Agarwal:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Shekhar Singh from Goldman Sachs. Please go ahead.

- Shekhar Singh:** The 5,400 Crores of revenue which you reported for FY10, that corresponds to how many billable employees?
- Durga Shankar:** This is the question which actually were laid down to calculation of the billing rates which.....
- Shekhar Singh:** Not just billing related, it also gives an idea about the buffer in terms of utilization, if you are saying 27,000 are the employees.
- Durga Shankar:** That is exactly the point which we are requesting you to wait for another 45 days, you will get that clarity as far as opening and closing. Wait till a month.
- Shekhar Singh:** Okay. And you said you started with 8,000 and ended at 5,000 employees, just 40,000 ended at 27,000, what is the 8,000 to 5,000?
- Durga Shankar:** 8,000 is the revenue, 8,000 Crores revenue and it ended at 5,400. But if you look at '09-'10, talking about the revenue in growth as well as the employee count.
- Shekhar Singh:** Sure. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Nitin Padmanabhan from Indiabulls Securities. Please go ahead.
- Nitin Padmanabhan:** In the balance sheet there are 1,230-odd Crores which you said 37-odd companies that claiming from the Raju family. The papers were indicating that you were looking at an out of court settlement, looking at closing at around 700-odd Crores. Is there any truth to that?
- Vineet Nayyar:** There is no truth to that. The fact is that this claim is untenable. And I cannot say more because this matter is subjudice at this point of time. But I can assure you that there can and will not be any negotiation on this issue.
- Nitin Padmanabhan:** Sure. And in continuation with that, there is this 390-odd Crores that Maytas was claiming as intercorporate deposit. What is the status of that?
- Vineet Nayyar:** No amount has made to Maytas by this company. So we cannot comment on the status.
- Nitin Padmanabhan:** Sure. Fair enough. Thank you.

Moderator: Thank you. The next question is from the line of Ashish Chopra from Motilal Oswal Securities Limited. Please go ahead.

Ashish Chopra: You mentioned in your press release that a part of the revenue in FY10 would also be coming from clients for whom you continue to do the work but then the contracts were terminated. So could you quantify that amount?

Vineet Nayyar: I will tell you how that works. Satyam had certain contracts. Immediately on, the discovery of the fraud, these companies decided that they would not wish to work with Satyam any more. But there were unfinished tasks which Satyam continued to perform and bill for. So there is a stream of revenue which belongs to that, which will naturally terminate as soon as the task is over. So in the first few months of FY10, we had a revenue stream coming from there.

Ashish Chopra: Sir, would it be possible to give a number on that?

Vineet Nayyar: It is not possible to segregate it at this point of time.

Ashish Chopra: Okay sir. Thanks.

Moderator: Thank you. Due to time constraints, we will take one last question from the line of Naushil Shah from AnandRathi. Please go ahead.

Naushil Shah: Sir just wanted to know when you have had such huge losses for both 2009 as well as 2010, what are the tax expenses that you have made? And what would be the income tax loss that you would be able to receive for the future years for setoff? I am talking for the amount of tax loss, removing the exceptional items. I believe there are litigations for the prior period items but excluding the exceptional items what would be the tax loss that you would be able to carry forward?

Vineet Nayyar: We are working on it. But I think there will be significant tax loss we would be able to carry forward.

Durga Shankar: Yeah. For the last year if you look at it, there has been hardly any tax payment except tax which was paid on foreign jurisdiction. And going forward, it will depend upon not only the revenue run rate which we will be talking about, but also some various other contingent factors which are hard to predict at this point in time.

Naushil Shah: All right.

Vineet Nayyar: Well, I thought we would bring this conference to an end. We fully recognize that there are certain unanswered questions. We would be happy if you write to us and we will respond promptly. Most importantly, I would wish to thank you for your support, for your interest, and I hope we would continue to perform in a fashion which would come to your expectations and in terms of governance, perform in a fashion, which would meet the highest standards within the industry. That is our commitment to almost everyone. Thank you so much. And have a nice day.

Moderator: Thank you Mr. Nayyar. Thank you gentlemen of the management. Ladies and gentlemen, on behalf of Mahindra Satyam, that concludes this conference call. Thank you for joining us. You may now disconnect.