"Saksoft Limited Q4 & FY22 Earnings Conference Call"

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MODERATOR: **MS. ASHA GUPTA, EY LLP, INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Saksoft Limited Q4 & FY22 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 conference, please signal an operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Ms. Asha Gupta, Investor Relations Ernst & Young. Thank you and over to you ma'am.

Asha Gupta: Thank you, Melissa. Good afternoon to all the participants in the call. Welcome to the Q4 & FY22 Earnings Call of Saksoft Limited. The Results and Investor Presentation have been already mailed to you and it is also available on our website www.saksoft.com. In case anyone does not have copy of press release and presentation, please do write to us and we will be happy to send the same to you.

To take us through the results today and to answer your question we have with us the top management of the company represented by Mr. Aditya Krishna – Chairman and Managing Director and Mr. Niraj Ganeriwal – the Chief Operating Officers and Chief Financial Officer. Mr. Aditya will start the call with brief overview of the year and quarter gone by which will be followed by financials given by Mr. Niraj, we will then open the floor for Q&A session.

I would like to remind you that anything that is said on this call, which gives any outlook for the future or which can be construed as forward-looking statement must be viewed in conjunction with the risks and uncertainties that we face. This risk and uncertainties are included but not limited to what we have mentioned in the prospectus file with SEBI and subsequent annual report which you can find it on our website.

With that said, I now hand over the call to Mr. Aditya. Over to you sir.

Aditya Krishna: Thank you, Asha. Welcome and thank you all for joining our Q4 and full year FY22 Earnings Call today. I'm sure that most of you are regular participants to our Earnings Call. But let me begin with a brief introduction of Saksoft for some of our new investors who may have logged on to this call for the first time. Saksoft is a digital transformation partner that assists our customers to automate, modernize and manage IT systems through a combination of domain specific technology solutions, and solution accelerators from consulting to support. We have been in business for almost two decades now, with our offices across 14 locations, covering USA, UK, Asia Pacific and Europe. We have an associate strength of 1,500 plus . FinTech, Transportation and Logistics, Retail e-commerce, Healthcare, Telecom and Public Sector are the key verticals that we operate in.

We believe that the target addressable market in the above-mentioned verticals will continue to grow in future due to the interconnected nature of verticals which allows us to cross-sell and upsell service offerings to our clients. The verticals are supported by horizontal service offerings, spanning analytics, cloud solutions, legacy modernization, intelligence automation, application development and testing.

In terms of performance, I must acknowledge that FY22 was an outstanding year for us. We delivered revenue growth of 24.5% and clocked revenue of Rs.480 crores. EBITDA witnessed a growth of 22.7% to Rs.79 crores which is the best in the history of Saksoft. Crossing Rs.480 crores of revenue is significant milestone for us. And we are now aiming to grow much faster to achieve our mission to become $100 million company by 2025.

In terms of Q4 FY22 performance, while Niraj will deep dive into financials. I would just want to highlight that we reported highest quarterly revenue of Rs.139 crores reflecting a growth of 42.7% year-on-year and 11.7% on quarter-on-quarter basis. Despite challenging environment due to ongoing supply side challenges, we were able to sustain double digit EBITDA margins at 15.9% for the quarter. The business environment continues to remain strong for us. The demand for our digital transformation services is robust driving our business forward. Our inch wide mile deep strategy is working effectively to create a niche for our company in a crowded marketplace. This is also evidenced by the addition of three customers in $0.5 million revenue segment and the movement of five customers to a $1 million segment during the year. We are well positioned to capture the growth opportunities in the verticals we operate in.

During the year, we made significant investments in terms of organic and inorganic initiatives to strengthen our capabilities and capacities which is in-line with our strategy of inch wide mile. We acquired MC Consulting PTE, a Singapore based company specializing providing technology based businesses. Over the last 15 years, we have custom developed multiple solutions that improves the functioning of a seaport and public sector agencies. The acquisition reinforces our market position and the solution provider to logistics and transportation industry. This acquisition also evidences our intention to invest more in the Singapore market and commitment to provide employment local talent. It will help to enhance the strength of vertically focused approach and optimize cost of operations in Singapore.

Throughout the year, we continue to invest in talent pool, we added nearly 300 employees taking our total headcount to 1,554. I'm glad to inform you that we are now a 'Great Place to Work' certified company effective April 2022. We've always endeavored to provide a work environment which offers flexibility, respect and meritocracy to all employees. Employee wellbeing has always been a non-negotiable priority for us and will continue to be so. The Board of Directors at the meeting held on 26th May 2022 has approved to the split of the face value of equity shares from Rs.10 to Rs.1 per share. This is subject to the approval of the shareholders at the ensuing 23rd AGM which was to be held on 9th August 2022. We have been consistent in sharing profits with our shareholders. For FY22 we have recommended a final dividend of Rs.3 per share, this makes total dividend for the year to Rs.6 per equity share which comes to 60% on equity value of Rs.10 each as compared to Rs.5 per share in the previous year.

As mentioned in my earlier calls, we reiterate the same- that our vision 2025 is to become $100 million revenue company over the next three years. Some of the key factors that would drive our growth are : -

1. We would continue to remain focused on our select industry verticals sectors such as namely FinTech, transportation logistics, retail in e-commerce which are verticals of the future.
2. Our 'Inch Wide and Mile Deep' strategy where we focus on niche verticals and capabilities one of the reasons of our growth in revenue and then will continue to be one of the major reasons why we will add more customers yielding more revenue.
3. The network effect is working well for us. Our expectation is that +80% revenue growth will come from existing accounts and references from these existing accounts and balance through new logos.
4. We are also investing in digital assets and frameworks such as UNITE, STAQK, SAQAMA which will enable our customers a faster go to market on their products and also going digital.
5. The focus on acquisition will continue and our track record of successful integration of over six acquisitions gives us the confidence to go down this path with ease.

Our balance sheet continues to remain strong. We have a healthy cash and cash equivalents of Rs.94 crores. We will continue to reward our stakeholders and our dividend record of the last five years is a testament to our policy of rewarding the shareholders.

To summarize, I would like to say that FY22 was the year of strong execution and growth. We are pleased with the current growth momentum and remain optimistic of future growth in the next fiscal year. We believe that with the commitment and support of the entire fraternity at Saksoft and our esteem shareholders we will be able to achieve our growth target in the coming years. With this, I would l now hand over the floor to Niraj to take us through the financial highlights. Over to you Niraj.

Niraj Ganeriwal: Thank you Aditya. We will now go over the financial performance for the Q4 and the full year FY22. In terms of revenue, Q4 FY22 revenues were at Rs.139.09 crores as compared to Rs.97.45 crores in Q4 FY21 and Rs.124.47 crores in Q3 FY22 reflecting a growth of 42.7% year-on-year and 11.7% on a quarter-on-quarter basis. For the full year FY22, the revenue stood at Rs.480.43 crores as compared to Rs.385.81 crores in FY21 witnessing a growth of 24.5% which is the highest growth in terms of absolute numbers in Saksoft's history.

Now, looking at the EBITDA, the Q4 FY22 EBITDA was at Rs.22.15 crores as compared to Rs.15.55 crores in Q4 FY21 and Rs.22.07 crores in Q3 FY22. Thereby, registering a growth of 42.4% year-on-year and flat on a quarter-on-quarter basis. The EBITDA margin for the quarter stood at 15.9% as compared to 16% in quarter four of the previous year, and 17.7% in quarter three of the current year. For FY 22, the EBITDA stood at Rs.79.02 crores as compared to

Rs.64.42 in FY21, which is a growth of 22.7% year-on-year basis. Despite the challenging environment due to the supply side challenges and increased hiring cost, we were able to maintain double digit EBITDA margins.

Now, coming to the profit after tax, the Q4 FY22 PAT stood at Rs.17.55 crores as compared to Rs.12.51 crores in the quarter four of the previous year and Rs.14.93 crores in the quarter three of the current year. This is a growth of 40.3% on a year-on-year basis, and 17.5% on a quarter-on-quarter basis. The FY22 profit after tax stood at Rs.63.26 crores as compared to Rs.45.44 crores in the previous year, witnessing a growth of 39.2% year-on-year. The decrease in finance cost has also led to improvement in the profitability. This resulted in the earnings per share being at Rs.63.37 for the current year as compared to Rs.45.68 in the previous year, witnessing a growth of 38.7% year-on-year. The impact of the currency movement on revenue is only 2% for the current year. Based on the same, the pure volume driven growth on revenues is about 22.5% as compared to the previous year. In terms of the revenue split by geography, the Americas contributed to about 45% of our revenue. Europe contributed 32% while the remaining 23% came from Asia Pacific and other regions. The onsite and offshore revenue mix remained stable as onsite being 47% and offshore at 43% as compared to 48% onsite and 52% offshore in the previous year. As mentioned before, we expect the mix to be inclined towards the offshore in the subsequent quarters. The revenue split across verticals is as follows:- FinTech and telecom contributed to about 28% and 20% of the total revenues respectively while transportation and logistics, retail e-commerce and healthcare and the public sector contributed 10%, 8% and 6%, respectively.

Looking at some of the customer metric, Saksoft has about 11 customers in the $1 million plus revenue segment and 7 customers whose revenue is about USD 0.5 million plus. We have moved 5 customers in the current year from the $0.5 million category to the 1 million dollar category. And we have been able to add 3 new customers in the $0.5 million category. This gives us more confidence that we are being valued by our customers and we are in the right path of our growth trajectory. The total employee count stands at 1,554 out of which 1,406 are technical and the remaining 148 are support staff. The utilization level of our employees excluding trainings stood at 85% for the current year.

Moving to the balance sheet as of 31st, March 2022. Our debt position stood at Rs.4 crores and cash portion stood at Rs.94.84 crores which makes us a net cash company. We have repaid a debt of Rs.20 crores during the year and the cash outflow of the investment in MC Consulting for the first tranche was about Rs.15 crores. For the FY 22, the return on equity stood at 20% and the return on capital employed stood at 25.8%.

This now concludes the update on the financials and we will now open the floor for Q&A.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Srishti from Monarch Networth Capital. Please go ahead.

Srishti: Firstly, I wanted to understand, you have seen a good growth in the past four, five quarters. So, are we expecting similar growth trajectory of +5% sequential growth in the next year as well. Just wanted your thoughts on how the demand environment is looking like?

Aditya Krishna: At this point, we are confident that over the next three years, we can deliver +20% CAGR, top line growth. That's where we stand as of now. Last year, we did 25%, 20% seems very possible at this stage.

Srishti: Sure, Sir. On the new acquisition, would you say that it's margin accretive and when do we see the acquisition of MC consulting significantly contributing to our revenue?

Aditya Krishna: Our acquisitions have never been for revenue, they've always been either for capability or for some strategic reason. So, having said that, we never acquired a company, which is loss making, or which is now going to add to our profitability. So, in terms of margin, MC Consulting margins are better than our present margin. So, the average will go up. But in terms of top line growth, we don't expect them to contribute significantly. But, the way they will help us is what I explained in, what I said earlier, is that they'll help us optimize local talent, as well as be more efficient in terms of operational cost in Singapore. Those were our two main reasons for acquiring this business.

Srishti: Okay, understood. And I'm sorry, if I missed it, did you mention how much was the attrition rate, just wanted to understand your subcontracting cost have been sort of impacting margins. So, would you take wage hike to sort of, would you be taking wage hikes further in the next two calendar years to sort of bring down the sub-contracting portion?

Aditya Krishna: Go ahead, Niraj.

Niraj Ganeriwal: So, just to clarify, I don't think at the company level, it would be right to say that the subcontracting costs are impacting the margin. For companies of our size, I would say that that's an indirect way of ensuring that the margins stay relevant and can slightly improve because when it comes to subcontractors and third parties, our utilization is anywhere between 95% to 100%. So, we are able to operate essentially efficiently by using the subcontractor. So, yes, the subcontracting charges will continue to go up, depending on how the talent is and how the availability is because this is a nice free pool, which is available in the market, and can be used on a start stop basis, but it definitely does not impact our margins negatively.

Moderator: Thank you. We have the next question from the line of Saurabh Malhotra a Retail Investor. Please go ahead.

Saurabh Malhotra: I have one minor question regarding the financial, if we study the past financial, all the DSO sales stands at healthy 80 days but this time, there is a significant increase on the receivable around 65% or so this has never happened in the last four, five, six years. Any specific reasons for this rise in the receivables?

Niraj Ganeriwal: What is relevant to note is also the growth which has happened with a 25% growth, there has definitely been a increase in the days. But if you look at an average debtor days, the number of average debtor days is gone up only by a couple of days. Yes, there have been some pile ups in terms of collections towards the end of the year, but nothing significant, nothing worrying. And they should all get normalized in the coming quarters.

Saurabh Malhotra: Good to know. I have one more question. On the revenue from the America region is around 45% or so if we consider the geographical split. As things stand today, it is estimated that since the rate of interest are now increasing, the Fed is increasing the rate of interest it is anticipated we don't know for sure obviously, it is anticipated that USA may land in recession. And there might be some impact from a demand front considering from that region. Do we anticipate that or do we expect that to happen or do we have a strategy to handle that, just your thoughts on this?

Aditya Krishna: This is a very relevant question. And honestly, I just have to say that. It's a mixed bag as to whether the US will go into a recession or not, there are different views on it. And from our perspective, what are the tools that we have to manage a recession, we have to be very careful in building assets on our balance sheet, which we are very careful about, we're very careful about managing our costs, we're very careful about managing our margins. We don't want to take unnecessary, overhead onto our balance sheet and our P&L, all that we're doing. Demand side, if there's a recession - will get impacted. But keep in mind, our target market is not the Fortune 100 companies or the Fortune 200 companies which get hit by the recession, the maximum. Our target market is the middle segment, the companies which are typically $100 million to $2 billion in revenue size. They are impacted by the recession, but less so. So, we are quite hopeful and time will tell that if there is a recession in the US, the impact on us, should not be as significant from a demand side as it would be for the larger customers.

Moderator: Thank you. We have the next question from the line of Chaitanya Shah from Silver Line Capital. Please go ahead.

Chaitanya Shah: Sir, I broadly have a question on your acquisition strategy. Generally, we've seen that companies that do a lot of acquisitions-they always have the return ratios hit in one or the other acquisitions because most of the acquisitions, are generally not very successful, but with your company, we've seen that you've been able to really handle the acquisition very well. Just want to understand how you go about acquiring a company and what is it that you've done differently that has hit you in making most of your acquisitions successful?

Aditya Krishna: We, follow two or three basic principles when we look at an acquisition number one, if you see our capital, our paid up capital is only 10 crores, so we don't have deep pockets. So, first thing is it has to be affordable. And when I say affordable, it has to be something that we can take on without diluting capital, diluting our equity. So, that the transaction size becomes smaller. So, that's number one. Number two, we look at what can this acquisition add to us from a capability perspective, never from a top line perspective. Most of the acquisitions that go bad are when the acquirer either acquires a target, which is the same size or bigger or reasonably large size organization, which has a lot of complexities behind integration, etc that is not the case with us. We're always looking at an organization or a company that can add some capability, irrespective of top line . The third thing we do is, we leave the company alone, we don't impose our values on that company, because that company has a culture. If you disturb that culture, chances are there will be resistance to integration, so we never do that. And if you can do these three things, number one, reasonable size, number two don't impose your culture and three, bring some new capability rather than just topline- you will be successful and that's what's works for us so far. And we will continue in that direction.

Chaitanya Shah: My second question is regarding, traditionally we've seen IT companies go for big size clients like Infosys or Wipro, the TCS of the world. But specifically you said that you focus on smaller clients. So, operationally how is it different to handle smaller clients or bigger clients, and what advantages do you have as a company against some of the larger peers in the country?

Aditya Krishna: It's a question of creating a niche for yourself, take a large customer for example take Citibank now if Saksoft was to go to Citibank and say look, we're an IT supplier, they will compare us with an Infosys or TCS. Now, the playing field will always favor the large players, with a customer like that, we will always be on the back foot. So, why compete there, we should compete where our chances of success are higher or chances of winning are higher. So, we compete in the mid-tier. We compete in the mid-tier where ROI is very important, value for IT spend is very important. Dealing with a supplier who's nimble, fleet footed, understands their business is very important to that customer. These companies will always favor a Saksoft overall a large IT player because nobody wants a supplier who is 5, 10 times their size, then the supplier will never be able to give value to that customer. So, that's really where our secret source and our space is and we want to stay there.

Chaitanya Shah: Okay and post COVID, has there been a fundamental change in terms of attitude of the smaller companies regarding digitization and because generally what we've seen historically and in your numbers as well, that the spends are generally a little erratic for companies of a smaller size. So, they don't have a predefined IT budget and you can correct me if I am wrong so has that changed after COVID?

Aditya Krishna: It's a good question, a very good question. But, you have to look at it in the context of not only the size of the company, but also the sector that it's in, the sector that we are operating in, for example FinTech and transportation logistics in that sector-IT spend is not being constrained so much by the absence of COVID - it's really being propelled by the fact that, the sector is booming. Transportation and logistics is booming, Fintech is booming, there's sort of so much disruption in the financial services industry, there's so much investment in that sector. And these are all technology led sectors, which have stayed behind the curve. For example, transportation logistics has always been behind the curve in IT spends . Now with the boom in that sector, they are catching up. And that is not going to change at least for the next five to six years. So, your question is very valid, but please look at it in the context of size of company and the sector, because only then really it makes sense.

Moderator: Thank you. We have the next question from the line of Chaitanya Shah from Silver Line Capital. Please go ahead.

Chaitanya Shah: Just wanted to understand the rationale going for stock split?

Aditya Krishna: More interest in the stock Chaitanya, we'll have more shareholders.

Chaitanya Shah: Okay, that makes sense.

Moderator: Thank you. We have the next question from the line of Dhiraj from Roha Asset Management. Please go ahead.

Dhiraj: Just to understand the journey of over the next three years of $100 million and 20% CAGR. Is there any new verticals that we're looking at, see acquisitions is somewhat unpredictable, but from an organic perspective any new skill set, domain that we are adding up and also, if you can shed some light on margins, because you're still way off from fairly decent margins for the peer group which would be upwards of 20% or so. So, anything that operating leverage will play out over time to move the margin leader from 16%, 17% odd level?

Aditya Krishna: In terms of new industry verticals, at this point, we're not looking at anything, because we find enough traction to get to where we are with our existing verticals. However, from a technology perspective, and a horizontal play we plan to invest in the cloud considerably, we find that the cloud journey, or the migration to cloud is something which is still very much at the nascent stage, growth in cloud and the money that our customers want to spend on cloud is increasing. So, we plan to build a bigger practice there, we plan to invest in some proprietary solutions, tools to hasten the access or the go to market for our customers, in the cloud space. So, that's really where - if there is an investment that's where it's going to be. Regarding margins, our margins are pretty much where they're going to be because our focus now is going to be delivered 20% CAGR or more for the next three years. And if it means compromising a little bit in the margins we will do that. 20% is not going to happen for us. When I say 20% I'm saying not going to happen 20% EBITDA margin, it's not going to happen for us. We are currently at 16%, 20% EBITDA margin with a 20% CAGR top line is definitely off the table.

Dhiraj: Okay. And how are you coping-up with the wage cost pressure and attrition are you able to pass on or speak to replace technical people or pass on the cost hikes to your customers?

Aditya Krishna: The rates are hardening in the sense that wherever we have opportunity to increase rates, we are doing that. Rupee dollar is helping but there is a limitation on how much we can pass on because like I said, our focus is 20% CAGR plus, at a decent margin and to be honest today IT service is becoming more and more commoditized. It's very difficult to charge more than the market, the customer knows what is the prevalent rate, we know what is the prevalent rate and we have to stick to that. Wage pressure is not going away in a hurry we have to learn to live with it. Managing attrition is something that we are always doing, so that's one of the stumbling blocks and challenges which this industry will face at least for the next two, three years.

Dhiraj: Sure. And lastly, assuming this 20% CAGR has embedded inorganic acquisition assuming that doesn't play out, how much will we be able to grow organically speaking?

Aditya Krishna: So, can you repeat that question please?

Dhiraj: In a 20% CAGR redemption of your three-year revenue growth, how much will there be organic related and how much will be inorganic assumption?

Aditya Krishna: So, this 20% is pure organic, as far as MC Consulting is concerned, the numbers are not very relevant. Like I said, we acquired this business for capability and more from a talent acquisition in the Singapore market than anything else.

Moderator: Thank you. We have the next question from the line of Chaitanya Shah from Silver Line Capital. Please go ahead.

Chaitanya Shah: Sir my question is, regarding what's happening in the startup ecosystem right now in the country, we've seen a lot of people being laid off, and valuations sort of collapsing. Now, I just wanted to understand from an IT sector point of view does this situation help us in terms of lowering the attrition rate or availability of talent do you see this thing helping the IT sector in the coming years?

Aditya Krishna: Chaitanya the numbers or the gaps are so big, the layoffs in the startup sector will be 1000, 2000, 3000, 4000 the demand in the IT sector will be in lakhs. So, it's a drop in the ocean, the numbers just don't stack up. So, the need is far greater than what will get released from startups.

Chaitanya Shah: Okay. And sir so when do you expect this situation to sort of normalize, will it take years or months or what is your sense, can this from a minority investor perspective, can this be considered a threat for years, something that can nearly destabilize the business model?

Aditya Krishna : Difficult to predict, but I would say next 24 months it's here. Now, if there's a recession in the US, people start getting laid off demand starts taking a hit, automatically things will correct because everybody follows the US there will be ripples all the way to Europe and Asia, how that works out-time will tell but it will definitely normalize, it is a business cycle. We have seen it before also in the IT industry remember those days when every IT company used to put full page ads for people in the media, today nobody does. Maybe that will start again, so this is just part of the cycle, we have to deal with it, the plus side is demand is booming. So, now would you rather have talent crunch and demand booming or the reverse, I would rather have it where it is today.

Moderator: Thank you. We have the next question from the line of Amit Jain from Monarch Networth Capital. Please go ahead.

Amit Jain: Aditya one thing on the resource crunch, the industry is facing recent results what we have seen, every IT company has highlighted this issue. And particularly for a company of our size, in this case when you're dealing with the client, and you are handling some key projects, and if your key person exists from the company, definitely that effect and whenever you are negotiating a deal with client so that obviously matters. So, do you think it can pose a threat to your guidance of what you're projecting 20%?

Aditya Krishna: When we give you these numbers of the 20%, it is keeping in mind the threats that we currently face. So, we have factored the resource crunch into these numbers, and come up with, a 20% CAGR. Having said that resource crunch, and scenario that you painted is very, very realistic, it's happening as we speak, people are quitting left, right, center. Managing attrition is a full-time job, keeping people motivated, is a full time job and it's not only money, it's not only wage, or increasing wage which will keep money because you can never pay the maximum, there will always be somebody who will pay more than you. So, it's a combination of quality of the work, the respect the individual gets, the flexibility and we're trying to do all of that, and this recent recognition of being certified as a Great Place To Work is a step in that direction. So, we are taking a lot of steps to manage attrition, and keep our key people committed and loyal to the company and we have success. Now, to get over the resource crunch, we are doing a couple of things. One, of course like I said managing culture, improving culture, keeping culture, making sure that culture, transcends throughout the organization of respect, of recognition. So, that's one thing that we are doing. The second thing we're doing is we're looking at talent, outside India. Latin America, Eastern Europe- Eastern Europe was very hot till what happened in Ukraine happened. So, there are opportunities to look at talent outside India, which we are looking. So, there are returning women in the workforce, third sector, tier three, tier four cities, talent in those cities. So, we are looking at many ways to overcome the resource crunch, and we are working parallely on all these initiatives and not sequentially. So, we will find a solution after all, that's what we get paid for right, to overcome these challenges and grow the business.

Amit Jain: And one thing more, again there have been concerns, it can be again it's too early to comment on that, about the recession and the slowdown in the discretionary IT spending. So, I'm sure you must have taken cognizance of that as well in your projection, but still do you think going forward definitely we are seeing the work as I said, but there are initial signs of worry that you feel while interacting with the client that they are maybe in their IT budget, just slightly skeptical about future IT spending?

Aditya Krishna: We use the word discretionary IT spends, 99% of our revenue or our business is not discretionary, it is mission critical, we do IT work for our customers which is mission critical, if we stop doing that their business will stop. So, yes they can cut back on spending, and if there is a recession, or signs of recession we will see that, we will see cutbacks, people cutting back on team sizes, people cutting back on budgets, everybody will be careful but considering the size of our business, considering that 20% on Rs.480 crores is not a very large absolute number versus the size of the market. We're confident that where we are today, we can deliver this number.

Amit Jain: And just last thing on the margin side, I understand and we appreciate that expecting a margin of 20% EBITDA. But are we just expecting this similar margin profile, maybe (+/-100) bps here and there and we can expect that kind of margin profile over the next two to three years?

Aditya Krishna: Yes, if you give a leeway of (+/-100) basis points, that is something which is very, very realistic, keeping in mind the 20% CAGR.

Amit Jain: I completely understand, thank you so much.

Aditya Krishna: Thanks Amit. And thank you for your support.

Amit Jain: Thank you so much. And again, heartiest congratulations for a very healthy set of numbers.

Aditya Krishna: You're an early believer, Amit. Thank you for that.

Moderator: Thank you. As there are no further questions, I would like to hand the floor back to the management for closing comments. Please go ahead, sir.

Aditya Krishna: We thank everyone for taking out time to participate in this call, and for their interest in Saksoft. We continue to believe that we are in the right place. And we will remain committed on our goal of vision 2025. I hope we've been able to answer your queries. In case of any other queries please reach out to us or our Investor Relation Advisors Ernst & Young. Thank you everyone for joining us.

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