



Saksoft Ltd
Earnings Conference Call

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CORPORATE PARTICIPANTS:

Ms. Aditya Krishna

Chairman & Managing Director

Mr. Niraj Kumar Ganeriwal

Chief Operating Officer & Chief Financial Officer

Q&A PARTICIPANTS:

1. **Prathik** : AART Ventures
2. **Vinay Menon** : Monarch
3. **Miloni Mehta** : Monarch Network Capital
4. **Vikas Srivastav** : RVC Financials Services Pvt Ltd
5. **Hiloni G** : Hexagon Wealth
6. **Amit Jain** : Monarch

Moderator

Ladies and gentlemen, good day, and welcome to the Saksoft Limited Q1 FY25 Earnings Conference Call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in the listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Tushar from Ventura Securities Limited. Thank you, and over to you, Tushar.

Tushar Pendharkar

Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities Limited, I welcome you all to Saksoft Limited Q1 FY25 Earnings Conference Call. Mr. Aditya Krishna, Chairman and Managing Director and Mr. Niraj Kumar Ganeriwal, Chief Operating Officer and Chief Financial Officer, today represent the company. I would now like to hand over the call to the Managing Director of the company, Mr. Aditya Krishna, for his opening remarks. Thank you and over to you, sir.

Aditya Krishna

Thank you, Tushar. Hello, and good afternoon, everyone. Welcome to our earnings call to discuss the performance of the first quarter of of FY25. Let me start off by briefing you on the key business highlights for the first quarter, after which my colleague and CFO, Mr. Niraj Ganeriwal, will brief you on the financials. As you all might be aware, the IT sector has been facing several headwinds globally. Despite these, I'm pleased to report that we managed to report modest growth during the quarter. We have reorganized our business into 4 high growth business units, making us more market facing and customer focused. These business units are Fintech, Hi-tech Media and Utilities, Transport and Logistics and Retail e-commerce.

Each business unit will be headed by a leader responsible for ensuring that the company stays abreast of market trends and disruptions as well as for revenue and margin growth. In addition, this chain will help us differentiate our offerings as a digital specialist based on domain in a fast commoditizing industry. Our realignment of business into focus verticals is on the back of our strategy and results obtained in the past thereof. We believe that the more we focus on verticals, the more we grow as a business as we become more market facing. These verticals will be continued to be supported by horizontal service offerings spanning analytics, data, cloud solutions, legacy modernization, intelligent automation, product application engineering and quality assurance.

As a company, we offer comprehensive suite of digital transformation services. During the quarter, the company acquired Augmento Labs in June 2024, which is a digital engineering company with focus on Hi-Tech, Media and Utility verticals. Lastly, I'm pleased to inform you that to commemorate our company's 25th anniversary, the Board of Directors have proposed issuance of bonus shares in the ratio of 1:4 to all

shareholders. Now I would request my colleague, Niraj, to give you the financial highlights for the quarter under review.

Niraj Ganeriwal

Thank you, Aditya, and good afternoon, everyone. For the first quarter of FY25, revenues were reported at around INR 201 crores, representing a growth of around 10% YoY and 3% QoQ. The EBITDA stood at INR 35 crores, which grew by around 1% YoY and 5% QoQ, with the EBITDA margins being at 17.43%. Net profit for the quarter was around INR 26 crores, which grew by around 2% YoY and 10.3% QoQ, with the profit after tax margins reported at 12.73%. For the revenue split by geography, in the current quarter of FY25, the Americas contributed 42% of our total revenues. Europe contributed 24%, while the remaining 34% came from Asia Pacific and other regions. The on-site revenue mix was 45% and the offshore was 55%. The revenue split across our verticals for Q1 FY25 is as follows.

Fintech contributed about 31%, Hi-Tech, Media and Utilities around 42%, Transport and Logistics contributed 16% and Retail e-commerce contributed 11%. Now coming to some of our customer metrics. 15 customers contributed to \$1 million plus revenue, while 9 were between \$500,000 to \$1 million. The total employee count at the end of the quarter stood at 2,215, out of which 1,987 were technical, with the utilization level of the employees, excluding trainings being 85% for the current quarter. With that, we can now open the floor for the Q&A session.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question and answer session. If you have any questions, please press * and 1 on your telephone keypad, and please wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Our first question comes from Prathik from AART Ventures. Please go ahead.

Prathik

Hi sir, thanks for the opportunity. Just wanted to get a sense, like you mentioned that you shall be aiming to achieve a INR 1,000 crore top line by FY25 with maintaining the margins of 18%. So are we still on track for the same?

Aditya Krishna

That's the objective, Prathik. Q1, we are a little behind. We are hopeful we can make it up. The whole idea is if you aim big, you will get close to the target. So it's an aggressive goal but as of now, at the end of Q1, we are confident that we'll get close to it, if not at it.

Prathik

Okay. So I just wanted to understand if you we did a top line of INR 762 odd crores in last year, last financial year. So from there, if we are aiming for a INR 1,000 crore top line, that indicates upside of almost 27-28% in terms of revenue growth. So where the industry on the other side is growing hardly by 5-10% IT companies, so what gives the confidence and what we are exclusively doing or doing -- differently compared to our peers that is giving us so much of confidence that we'll be able to achieve a 30% revenue growth.

Aditya Krishna

A few things Prathik, to keep in mind. I would classify ourselves as a Tier 3 technology services company, not a Tier 1 for sure and neither a Tier 2. Our aspirations are to get to a Tier 2 by 2030.

Prathik

Sorry, can you please repeat?

Aditya Krishna

Prathik, what I said was that we are -- we classify ourselves as a Tier 3 technology services company. Not a Tier 1 like the TCS, Infosys, Wipro, neither a Tier 2 like the Cyient or the Birlasoft or the KPIT. But our aspiration is to get from Tier 3 from where we are into the category of Tier 2. Now what that does is, it allows us to make some calculated bets towards high growth and hotspots for technology spending, like Fintech, like Hi-Tech. And if you notice the verticals that we are spending on or focusing on, 2 of the 4 verticals are that. The third one being e-commerce, again, very hot. Technology spend today globally is moving I mean, is increasing in these business verticals, in these verticals. So the ability for us to grow becomes better because we have targeted high growth areas. So that's number 1.

Number 2, because we are smaller and we are nimbler, we are more agile, we can also take some bets on emerging technologies like cyber security, like cloud, like data and partner with emerging organizations, which are still not as established as market leaders. And a lot of our business, we are hoping, will come from this partner ecosystem. So these two pillars will help us grow faster in the industry. That's what-

Prathik

So basically, you mentioned the 3 verticals. One was Fintech; the other was e-commerce and which was the third one?

Aditya Krishna

3rd one was e-commerce, retail e-commerce and the 4th is Transportation and Logistics. But the high growth where we are seeing a lot of technology spend is the first three. Transportation and Logistics is seeing a lot of consolidation in the U.S.

Prathik

So Fintech, e-commerce and the 3rd one?

Aditya Krishna

Hi-tech.

Prathik

Hi-tech, okay. So do you mean to say that the companies which are largely operating in Tier 1 and Tier 2 don't have their presence in these particular verticals or the presence is slightly low?

Aditya Krishna

They will have it. But Prathik, you also have to keep in mind the growth from what base. I mean, these are the Tier 1 are \$1 billion organizations for them growing by 2-3% is huge in absolute numbers. Whenever there is a headwind, the market leader struggles the most. We are definitely not market leaders. So we are better positioned being a smaller, nimbler player. We are better positioned to beat the average growth rate of the market. I mean, that's really what I'm saying.

Prathik

Got your point, thanks a lot for answering the same.

Aditya Krishna

Welcome.

Moderator

Thank you sir. Our next question comes from Vinay Menon from Monarch. Please go ahead.

Vinay Menon

Thank you for the opportunity. So the utilization levels for us are near 85%. So can we expect it to remain here? Or do we have some kind of room to even go higher?

Aditya Krishna

I think this is pretty much maxed out. Maybe 100-200 basis points in either direction is probably what you will see, but 85% is pretty much where we will remain.

Vinay Menon

Okay. So then, sir, like is there any space in terms of our billing rate or anywhere where we can see some kind of improvements in the rest of the year because as we have hit peak utilization. So I'm just trying to answer where the improvements can come from.

Aditya Krishna

One big area they'll come from is our finance minister, if the rupee dollar benefits.

Vinay Menon

Okay. That is going to be a risk factor. Just couple of more questions. We have taken a shift towards Hi-tech, media and Utilities as an area of where we feel the growth is higher. And Fintech state where we used to which used to be our main focus that has come down to 31%. But what is the there in Fintech because a lot of Fintech based IT companies are saying that there is a little improvement seen especially in U.S., Europe. So what would you say on that, sir?

Aditya Krishna

Fintech should not be confused with BFSI. The trend in BFSI is an improvement. Fintech has always been hot because those are the disruptors in the BFSI industry. These are organizations, which are focused on credit tech. These are organizations that are focused on payment tech as well as regulatory tech, our focus is there.

Vinay Menon

Okay. And they are still doing well, right? So they'll be there?

Aditya Krishna

Yes. I mean, if you look at the economic times, you look at the second last page, you'll see the funding that's coming towards Fintech organization. It's tremendous. So I mean, India is not far behind in terms of new organizations, new companies, new startups in that space. What we have to be careful about is, and this is a fine line that we have to ride is, since a lot of these are startups, we have to be careful that we don't get stuck with them. When we provide technology services to them, payments we've got to stay on top of payments as well as their funding because they are based on their spending is based on their funding patterns. That's the risk there.

Vinay Menon

Okay. And could that be the reason why our DSO days have also increased slightly this quarter? Like Any kind of delays from there in terms of payments?

Aditya Krishna

It could be I'll just check one minute. Marginal I think, Niraj is saying it's a marginal increase.

Vinay Menon

Yeah. It's gone to 65 days. So we want to see if it is a 57-day.

Aditya Krishna

I don't think there's anything. Yes, nothing significant.

Vinay Menon

Okay. And sir one last question, like what kind of revenue can we expect from Augmento in FY25, sir? Like any amount which you can say?

Aditya Krishna

Approximately INR 50 crores.

Vinay Menon

INR 50 crores. And margins will be similar like 20%, which you have mentioned earlier, so 20% margin somewhere?

Aditya Krishna

Yes, 20% at least. At least.

Vinay Menon

Ok, Thank you so much sir. I'll get back I the queue.

Aditya Krishna

Thank you.

Moderator

Thank you, sir. Our next question comes from Miloni Mehta from Monarch Network Capital. Please go ahead.

Miloni Mehta

Thank you for the opportunity. I have two questions, actually. One is related to how has the attrition during the quarter been and how do we anticipate it to be moving ahead? And, 2nd is related to so in one of the, like, one of our major, like, company intends to increase the U.S. revenue mix to around 75%, which is, currently at 42 is what was guided earlier. So do we have any particular road map that you can put some light on?

Aditya Krishna

Other 2 questions? You said 4 questions.

Miloni Mehta

No, I said 2 questions.

Aditya Krishna

Okay. Sorry, I misunderstood. Attrition has been 12% last quarter, and we think it will stay around that number for the remaining year. In terms of U.S. revenue, all our focus, all our investment is happening in the U.S. market towards the objective of getting 45-75 because that's our biggest market, that's the most lucrative market, and that's the most forgiving, rewarding market, call it in any way, and the deepest market. We have hired 2 new sales guys there. They've hit the ground running. One of them has already

bagged a Fortune 500 client. We have started work on that this week. So things are looking good, fingers crossed. And just to reassure you that's where the focus is. That's the market where our focus is.

Miloni Mehta

Okay. So will this be particularly skewed towards the transportation and logistic as such or other verticals as well for U.S.?

Aditya Krishna

It's right now the action we are seeing is predominantly Hi-tech and then transportation logistics.

Miloni Mehta

Ok.

Moderator

Thank you ma'am. Our next question comes from Vikas Srivastav from RVC Financial Services Private Limited. Please go ahead.

Vikas Srivastav

Yeah. Hi, Aditya. Congratulations on a good set of numbers. I have many questions, so I haven't counted them. Start with, one of the previous participant asked. Augmento, you said, for INR 50 crores. My question on Augmento, Aditya, was, is this for 12 months? And from which month of you acquired this in June, right? So are you saying INR 50 crores in this year starting June? Or do we account for the entire year revenue? What's what are we -- what is this INR 50 crores we are talking about?

Aditya Krishna

So INR 50 crores divided by 12 multiplied by, 10.

Vikas Srivastav

Alright. So if I extrapolate it yes, it will be slightly larger. And is my understanding right? Augmento did about INR 45 crores as an independent company last year?

Aditya Krishna

Correct.

Vikas Srivastav

So you're looking at a 33% growth in Augmento YoY?

Aditya Krishna

Yes.

Vikas Srivastav

Would you throw some light on Augmento, its synergy with what you're doing? And obviously, it's a little early day early time for your integration and synergies to come into play, but just a little bit of flavor on what's happening in Augmento?

Aditya Krishna

Yes. We have begun the integration. It's not such a big company, which will require us to spend a lot of time on integration. So the support functions are slowly getting integrated. The delivery teams, the good thing is all their customers barring 1 belong to the Hi-tech Media and Utilities vertical. So they have already started to fold into that business vertical from a delivery perspective. Account management of their customers is managed by the founders of Augmento, but now reporting to the business head of Hi-tech Media and Utilities, and that's becoming actively managed. So I would say, so far no surprises, quite a painless integration.

Vikas Srivastav

That's good to hear. So, what are the synergies which come, Aditya, from -- sorry. My apologies. What are the synergies in terms of, are you going to cross sell more to the client? Is there scale in the client there? Do they have a good sales team? What are you looking at in terms of what obviously, you'll be able to INR 45-50 crore turnover company, but what do you see the long-term benefit coming out of Augmento in terms of numbers and areas?

Aditya Krishna

Augmento has 2 fairly large customers. One is a Fortune 100 company, the other is a Fortune 5,000 company, and which are both Hi-tech, lots of technology spend. And we are very confident that we can increase our share of wallet in both these accounts. So one big reason for this acquisition has been these two clients. The second is the capability play. They are very strong in the digital product engineering space. So this will strengthen our technology of horizontal offering across the 4 verticals that we have in product engineering. So those are the 2 synergies.

Vikas Srivastav

So would it be safe to assume, I was looking at the Augmento balance sheets, that, very easily we could be growing at about 40% per annum from Augmento plus. Augmento itself and the benefits which go from there or more? Obviously, there's something substantial, which could come out of Augmento.

Aditya Krishna

Vikas, the future is always bright. So we are very hopeful. I mean I don't see any warning signs as we speak, you know, but it's early days.

Vikas Srivastav

No. I appreciate that. I understand. Okay. That was as far as Augmento was concerned. My next question was, it is good to hear that we are still targeting the INR 1,000 crores target, which you mentioned on the last call. You've done INR 200 crores and we are talking about INR 800 crores this year. In terms of YoY, in the last three quarters, would you throw some flavor of course, we've included Augmento growth in this. I know it's a tough question and you may not have an idea. But if I told you, in terms of what you've already acquired and I include that as organic and any acquisition during the year and if something happens, it'll only be 3 months or 6 months. So are we talking of INR 800 crores organically in this entire year? Or some of this is could be through an acquisition?

Aditya Krishna

If I look at our pipeline today, Vikas and our order book, we have from a INR 1,000 crores, we have a gap of INR 150 crores. This is including Augmento.

Vikas Srivastav

So, 850 includes Augmento?

Aditya Krishna

Correct. So we have a gap of INR 150 crores. And for this INR 150 crores, we have a pipeline. So there is a pipeline -weighted pipeline as well as a non-weighted pipeline of, I would say, approximately the same amount. So the un-weighted pipeline would be INR 150 crores, but the weighted pipeline would be in the range of INR 50 crores. What I mean by weighted is with the probability depending on which stage the opportunity is at. So it's not that it's a figure in the sky. The whole team is working towards that objective. Some things have to align. We have to have a couple of lucky breaks. I'm happy to inform that we have bagged a high-tech company in California as our customer, a Fortune 100 company and also a Fintech U.S. Customer in the credit tech space, which we have been targeting for the last 15 years has finally opened up. I'm not going to give you the name because the paperwork is going on, Vikas.

Vikas Srivastav

No. Even after that, I won't ask for the name. At the time, it was a company I won't even ask for it. Yeah. That's fine. This is good. This is very encouraging and very, very good to hear. As an investor, I feel good about what I'm hearing.

Aditya Krishna

And the Hi-tech logo came from a sales guy we hired in California almost, what, 6-7 months ago. So this is his first deal after 7 months. So it takes time for these guys to bring something in. But we have to be patient. We have to keep them motivated. We have to put all our efforts behind making them successful, which is starting to pay off.

Vikas Srivastav

Great. So one more question on the sales guy, sales engine and the sales guy. When was the last you hired a salesperson? And what's the plan for hiring more salespeople in this coming financial year?

Aditya Krishna

We have hired 3 new sales guys in the U.S. 1 is the guy who brought this Hi-tech company and this was 7 months ago, and 2 have joined in the month of June. They have joined in the month of June. So very recent hires, 1 in California, 1 in New York. And then we've got one guy who's joined us, another senior person who's joined us in the UK. He comes to us from Sweden. He was with Accenture there and he has relocated and joined our London team our UK team.

Vikas Srivastav

So what do you add? The UK team, this new gentleman who joined in July or did he join in the last quarter?

Aditya Krishna

He also joined in June or July. He also joined Vikas in June.

Vikas Srivastav

So these 3 large investments, what are which will pay off in future years, what I'm hearing and what I am taking away here is that in spite of the 3 new investments in June, you will probably start paying in September, October at the earliest. You still are targeting 18% EBITDA for the year. And that-- am I looking at it correctly?

Aditya Krishna

Yes. You're looking at it correctly because we're hopeful Augmento will give us a better EBITDA than the company wide.

Vikas Srivastav

Got it. You mentioned at the previous-- okay, just going back, so what you're telling me that the INR 1,000 crore we are talking about, the contribution, if any, from the contribution from any inorganic acquisition has not been factored in. Can I say that?

Aditya Krishna

New and organic, correct.

Vikas Srivastav

Okay. Great. That's even better to hear. Now you said something about partner ecosystem. Could you explain that a little bit?

Aditya Krishna

Yes. If you look at some of the success stories of Tier 3 becoming Tier 2, like take the case of KPIT or take the case of Birlasoft. They have partnered in the early days with a hyper-scale like an AWS or a Salesforce or a ServiceNow. And a lot of their growth has been driven by that partnership. In other words, lot of leads, lot of opportunities, and lot of revenue has come through the partner system of the hyper-scale. What I mean by that is if we can identify a challenger or a future star in the technology space that we operate in, which is predominantly digital. For example, if you can identify a company that is going to be a future star in the data and analytics space or in the cloud space. Like Snowflake was couple of years ago.

If you can identify a few future stars in this in the digital space, either cloud or data analytics and partner with them, a lot of revenue growth and momentum can come through that channel because every time their sales team sells that product, we will be the implementation partners or the SI, system integrator for that product.

Vikas Srivastav

So have we not already identified these star partners? And I assume that your growth was to come from the partner ecosystem, which you've already established?

Aditya Krishna

We have a partner ecosystem, which we currently have, but it's like a me-too. For example, we are partners to Salesforce, we are partners to ServiceNow. We are building capability in that and a lot of investment is going into that. But since we are late in the game, no deals come from these organizations to us. They go to their old partners. What we are missing is, a new star partnering with them early so that we can ride onto their or hang onto their coat tails.

Vikas Srivastav

Got it. Thank you very much. Thank you. This is very, very encouraging. Thanks for the depth. I think things are looking good. I'll come back in the queue if I have any further questions.

Aditya Krishna

And Vikas thank you for all the confidence and the guidance as well as the support. Really appreciate it.

Vikas Srivastav

Thank you.

Moderator

Thank you, sir. Our next question comes from Hiloni G from Hexagon Wealth. Please go ahead.

Hiloni G

Hi, congratulations on the great set of numbers. My first question is that are we seeing any visibility in terms of healthtech projects? MedTech, healthtech?

Aditya Krishna

No, we're not because with the focus on the other four verticals, this has sort of got.

Hiloni G

Yes. I think we spoke like a couple of quarters back when we were trying to see something in the healthtech space, if I'm not wrong.

Aditya Krishna

Correct. That didn't work out. And, I think this is a sector, which we are sort of parked, not going to focus on it excessively for now.

Hiloni G

Okay. Got it. Any other acquisitions that we are looking at? I think we were, on, like in the Q3, we decided, like, that we'll do 2 or 3 acquisitions every quarter. So forward looking, where are you planning to do the acquisitions? In what segment?

Aditya Krishna

We're always talking to potential targets, hopeful something will come out. But, you know, we don't have that much money with us now to make a big play. So it will be a if whatever we do will be a small capability player. Nothing else.

Hiloni G

Ok, got it. Thank you so much.

Aditya Krishna

Welcome.

Moderator

Thank you, sir. We have a follow-up question from Vikas Srivastav from RVC Financial Services Private Limited. Please go ahead.

Vikas Srivastav

Yes. Thanks. Aditya, what are we doing? What is the trend in terms of the quality of investor institutional interest in the company? What is there how is the trend going there? And what is the company doing in terms of dissemination of information, engaging with investors? Is there a strategy going forward? Because at the end of the day, the company's exposure of the stock, the stock options are all intertwined in our growth plans?

Aditya Krishna

I'm glad you asked that, Vikas. I'm going to push that question to Valorem Advisors who are on this call. What are they doing for us to get more visibility for our stock? Anuj, are you there? You may not be there currently on the queue. Vikas not much interest from institutional investors, only thing that we see is a

lot of calls. We have a call scheduled in September with HDFC Securities. They have shown some interest. Last month, we had a call with Kotak Securities. They had shown a lot of interest and lot of their clients; especially PMS clients were on the call. As of today, we have over 100,000 shareholders, but are there any mutual funds, FIIs? I think there are a few FII 4%, which FII is there?

Niraj Ganeriwal

Multiple. One major, not more than 2%.

Aditya Krishna

No big, blue chip, Vikas.

Vikas Srivastav

That's good. That's the way the process is, Aditya. I think its part for the course. Do we is there an outreach? Does the management team, for example, if there's interest from HDFC or the other PMS, do we does the team travel to Mumbai? I'm assuming most of these people you know, at the end of the day, face-to-face meetings, presentation, maybe your team is sitting in Chennai. I was just thinking that, something a little more structured in Mumbai, maybe once 3 months because as far as I'm you know, I think this is a normal process. The phase, I think, you know, suddenly things change, critical mass develops, and people get very excited.

And the-- where the company is today and what we're heading for, I think it may help if, I'm sorry, it's an investor's call. I shouldn't be giving advice here. But is there a outreach? Do we have conferences, prearranged conferences in Mumbai? Is there a plan? All I'm saying is, is there a plan? And of course, you have one advisor who's on the call today, but is there a more structured focus plan for this?

Aditya Krishna

There is a structured focus plan. In fact, the team, including myself, we travel to Mumbai, I wouldn't say every quarter, we travel at least twice a year to meet potential investors and people who are interested in the company. We do that. I think it would be right to say, Vikas that we need to do more of this. And the action is really in Mumbai. We have to meet more people there.

Vikas Srivastav

Yes. Just I would just conclude by saying, end of the day, the stock option, the value of the stock option, all that is completely intertwined with you know, and here, we I think we are doing great here. And I'm not saying it's a slope or something, which will happen overnight. But over the next 2 years, this could be

a game changer. In terms of our interest in our stocks, we have better hiring, better quality people. I think the whole thing then percolates to a very different level. So I-- you know, that's a limited point I was making here in terms of, you know, the Mumbai end structure and, how we-- and at the timing is right. I'm not disappointed at what's happening. I'm saying that it, you know, it should happen now in the next year or 2.

Aditya Krishna

Point taken.

Vikas Srivastav

No no further questions. Thank you so much. It's great and I'm it's very positive. Look forward.

Aditya Krishna

Thank you Vikas.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. Our next question comes from Amit Jain from Monarch. Please go ahead.

Amit Jain

Aditya I think most of the questions have been answered. More on the industry, of those industries, how the industry is moving. So Aditya, just one quick question, we have lot of service offerings. So we are in, we have talked about cloud, cyber security, testing, legacy modernization and all data analytics. So just want to understand, can we just get some sense that this service offering gives us some kind of revenue it will be difficult because there could be some overlapping. Why am I asking so because you have mentioned about the product engineering side also. So just want to understand about the revenue pipe from all these service offerings. And are there any gaps, which we are trying to fill up?

Aditya Krishna

Yes. We have the 4 verticals business verticals, which I've told you, which are Fintech, Transportation Logistics, Hi-tech Media Utilities and e-commerce. Across these 4 verticals are the horizontals of data and analytics, testing, digital product engineering or digital engineering and infrastructure. Infrastructure is an

area where we have a few white spaces, especially around cyber security. The other place we have some white spaces is in the digital product engineering, which has been covered to some extent by the Augmento acquisition. There are also some white spaces in the data analytics space. So we are trying to see how we can cover these gaps. And we're quite hopeful that with internal investment, a few capability acquisitions, we will be able to keep making these offerings more robust.

Amit Jain

And, Aditya is it possible if you can just say which one contributes the most in terms of-- it will be difficult to say like how much the digital product engineering is contributing to our overall revenue?

Aditya Krishna

Niraj will give you some numbers. Yes. We have those numbers.

Niraj Ganeriwal

So Amit, digital engineering, which is a product capability, that shows almost 45% of our revenues. The QA and the testing, that's about 15% and the balance comes between data and infrastructure.

Amit Jain

Understood. And Aditya is there any plan because there's lot of buzzword about this product engineering side. So are we aiming to increase the share of this vertical with the service offering?

Aditya Krishna

Honestly, the focus is not that so much. The focus really is how can we Amit, the way we sell is not technology focused, we sell business focused. In other words, take the case of Fintech. We go to potential customers or prospects in Fintech and the way we approach them is we say, look, in the last 3 years or 4 years, we have solved these business challenges. We have solved X number of business challenges for our customers in this space. And typically what happens is with that approach, it resounds with the prospect because the prospect is also struggling either with a similar problem or exactly the same problem. And we're able to open a conversation. So the approach is a business approach.

At the end of it, we always believe that technology is only an enabler. It is an enabler to solve a business problem. So you have to lead with the business problem. And today, customers want to deal with a technology supplier who understands their business challenges and is not just selling them a technology solution because at the end of it, we are a service company. We are not a product company.

Amit Jain

Right. Understood. So, Aditya, like you mentioned about the Fintech company. So let's say you move or go to a credit rating agency as a company like credit rating agency at least. So are we in a position we can say to the company that, yes, we can provide all the solutions to all the problems that you have. So if we are a complete solution provider to all the business challenges here, can we, are we in a position to say, let's say, in Fintech space, where we can say we can provide all the solutions for business space?

Aditya Krishna

Fintech is a very large space. So we operate in 3 sub verticals in Fintech; payment tech, regulatory tech and credit tech. In those 3 sub verticals, we can make that statement.

Amit Jain

Understood. Thanks Aditya.

Aditya Krishna

Welcome.

Moderator

Thank you, sir. That was the last question. Now I hand over the floor to the management for closing comments.

Aditya Krishna

We thank everyone for taking out time to participate in this call and for your interest in Saksoft. I hope we have been able to answer your queries, in case of any other queries, please reach out to us or our Investor Relations Advisors, Valorem Advisors. Thank you, everyone, for joining us.

Moderator

Thank you, members of the management. Ladies and gentlemen, on behalf of Ventura Securities, that concludes this conference. Thank you for joining us, and you may all disconnect your lines now.

Note: 1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words