"Fidel Softech Limited Earnings Conference Call for the Quarter and Half-Year ended on 30th September 2022."

November 02, 2022

MANAGEMENT: MR. SUNIL KULKARNI - CHAIRMAN AND EXECUTIVE DIRECTOR.
MRS. PRACHI KULKARNI - MANAGING DIRECTOR
MR. MANDAR INAMDAR - CFO.
MS. NEHA JOSHI - COMPANY SECRETARY.

Moderator: Ladies and gentlemen, good day and welcome to the Fidel Softech Limited Earnings Conference Call for the Quarter and Half Year Ended on 30th September 2022. For the duration of presentation, all the participant lines will be in listen-only mode. We will have a question answer session after the presentation. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. So, now without any further delay, I would like to hand over the proceedings to Ms. Neha Joshi, Company Secretary. Thank and over to you, Neha.

Neha Joshi: Thanks, Tanvi. Good afternoon everyone, this is Neha Joshi, Company Secretary and Compliance Officer of Fidel Softech. A very warm welcome to all of you for the first earnings conference call for the quarter and half year ended September 30th 2022. For discussion today we have here with us Mr. Sunil Kulkarni, our Chairman and Executive Director, Mrs. Prachi Kulkarni, Managing Director and Mr. Mandar Inamdar our CFO.

We have scheduled this call for 40 minutes, if any questions remains unanswered we will get back to you over email. We wish to start by qualifying that during the call we may make some forward looking statements. Fidel Softech does not provide any specific revenue earning guidance, anything which is said during this call which may reflect our outlook for the future, or which may be construed as a forward looking statement must be reviewed in conjunction with the risks that the company faces. These statements are considering the business environment we see as of today and therefore there could be risk and uncertainties that could cause actual results to vary materially from what we are discussing on this call. An audio link and transcript of this call will be shortly available in the investor section of our website, www.fidelsoftech.com.

With this, we are now ready to begin with the opening comments on the performance of the company for the quarter and half year ended September 30, 2022 and post that we would be available for the question answer session.

I now request Mr. Mandar Inamdar, CFO to takeover. Over to you sir.

Mandar Inamdar: Thank you Neha. Good afternoon and once again welcome everyone to this first investor call for the quarter ended September 2022. This quarter we have seen a good strong performance which continues across segments. We have seen revenue growing through within 36.5% EBITDA and PAT again rising 3.01 and 3.15 times and we've seen more importantly positive cash generation from our business operations. This is on the quarter-on-quarter basis. Similarly on a year-on-year basis, we see the revenue rising to the tune of 34.6% EBITDA and PAT both growing 1.81 times and 1.66 times on a yearly basis. In terms of key figures Fidel has registered a revenue of 8.62 crores this quarter, with an EBITDA of 2.33 crores, profit before tax 226 lakhs, after tax 169.59 lakhs, our resulting into EPS of 1.37. So, if we compare this with the earlier quarter the revenues were 681 lakhs, EBITDA 77 lakhs, profit before tax 72.21, profit after tax 53.68 lakhs and comparing it with the previous years quarter two, was 640.97 lakhs the revenue cost, the

EBITDA was 128.97, profit before tax 120.01, profit after tax 102.42. All in all, if we look at these key figures they indicate a sustained and continuous growth quarter-on-quarter as well as year-on-year.

If we look at the key figures as a percentage of revenue, this quarter EBITDA was 37% of the revenue, profit before tax was 26% and profit after tax was 20%. For the similar period last year EBITDA was 35%, profit before tax was 44% and profit after tax was 17%. All those data has been made available on the website as well and you can also refer to it at your leisure. This was more on our performance for the quarter. Now, this I will hand it over to Sunil, he would want to share more strategic updates on how we fared this quarter and looking forward. Thank you so much, and over to you Sunil.

Sunil Kulkarni: Namaskar. Thanks a lot for joining this call. It's our first call today. In our entire journey, this is our first call so thanks a lot. We did fairly decent numbers from here on, I will try to share how we came up, are these numbers sustainable, I will try to answer these through our strategic updates. So, I'm on the #8 slide now. So, basically, this was the first quarter where we started using the IPO funds as well, from our working capital perspective for digital marketing or participating in events or hiring. We are trying to do it judiciously, carefully and trying to use it for the same purpose that we have raised it for.

Some of the key wins or some strategic insights for this quarter. We added some new clients again to our customer base, increasing the onboarding velocity. From this now we are trying to segregate them that who are the strategic customers, who are one timers, who can be cultivated into more long termish customers. So, we are trying to now look at these clients. Last quarter in our key takeaways, we had mentioned that we had added new members for a multilingual data creation project and that project had just started. This project has started now, the value of this project has increased it's a long termish fairly it will continue to the next two quarters and this multilingual data creation project, the performance and optimized people are just used to this project and hence there is a increase in quantum of value. We had also tied up with a Ireland based client again last quarter, it started with a small engagement and now the project has increased again we are seeing a growth in these project. It's a long termish again client.

We had invested, we had hired cloud based personnel and because of that increase in competence center we are seeing queries related to cloud from the US client. This quarter we also thought that not just from a projects or sales perspective, we try to grow holistically, we achieve this ISO 17001 certification, while we are not sure, but we fairly think that we are the only Indian company that has achieved so, this will help us to compete in for bigger RFPs in global markets as well as kind of a thought leadership and quality leadership in this area.

On next slide, we also participated in CITLoB which is kind of a flagship organization in India for localization and language engineering, we participated there, again we are known fairly decently in this community now across India. We also did a strategic tie up with a boutique consulting firm called First QA, some projects have already started. As you know there are

demographic challenges in Japan market and for that companies are looking at partnerships in the areas of automation and so on. So, Fidel has entered a strategic partnership. We also added senior members like Mr. Anil Patwardhan and Mr. Deepak Shikarpur to further strengthen our advisory board in the areas of finance and branding. We also started as I mentioned utilization of IPO proceeds have been started, PC rentals they have been converted into, we purchased some infra, PCs, servers and that reflects in the items here, we also hired sales and marketing some key staff who have been on boarded now. And in this sense from a working capital perspective the utilization of IPO proceeds have started.

We also saw that we participated in other events, what we have realized is, we need to develop talent as well and hence we are participating in tie ups with colleges where we can about Japanese training like how we can create opportunities for technology and languages. So, there we participated in some of these events. We have certain clients in the Indian e-commerce like Flipkart, Dmart, Bigbasket, and hence we thought that participation in e-commerce and retail would help us in terms of insights. In this quarter, we also had our senior management review meeting, you can see that there is around 20 people middle management, who have been groomed to manage the company so that it's not just dependent on me or Mandar. And hence, regularly we ensure that the insights are passed to the team, their opinion, their ideas are shared across teams. We achieved this MTP and ISO certification. It was again fairly earlier our ISO have been taken through Indian counterparts, but we were interviewed through European partners and it was a fairly lengthy process for us. We saw some employee engagement as well in this, we are seeing some slackening of pressure in terms of hiring, but we want to ensure that any employee that stays we have a long term view with us and hence there are some employee engagements.

I will move to the outlook. So, I just came to US to participate in an event called LocWorld and while talking to friends in US we are hearing this recession word here. But thankfully, when we are talking to our own customers, we are still not feeling that or seeing that. So, while we are cautious, it's a fairly a positive outlook for us, we still see robust growth on track, we have a order book of around 12 crores in next two quarters. This is again we continue to still mine or still aggressively reach out to clients, because some of the projects the performance is optimized, we continue to see healthy PAT, compared to last two years or during the pandemic, we are seeing some less pressure in terms of supply so we hopefully feel that in next two quarters more good people will be available at reasonable salaries. Besides this we also are trying to develop talent or rescale our existing staff. We are seeing that there is opportunities in data enrichment which is for multilingual data enrichment and there we are trying to see if we can create some tools or semi automation. So, that which will help us to improvise our performance.

While initial of our journey had been focused more on Japan, more we see now because of the product companies, because of the conversational AI, market in US we have started looking at US market and hence we are trying to see if we can appoint some channel partners, if we can hire here locally. We also are seeing some supply issues under some of these multilingual areas

where we are trying to ramp up the scale. So, all in all, from our perspective more than the demand side, we are still trying to see how we can ramp up the supply side. We continue to use the IPO proceeds in terms of infrastructure, upgradation, hiring resources for key domains, or participation in domestic or international events, digital marketing or investment in tools. So, while these are one liners, we understand where we are going to use these proceeds. So, for example this time we have participated in LocWorld, in next month there is a tech event in Bangalore where we plan to participate with SAS companies. So, we have a decent view on coming to quarters where we plan to use this.

So, while the results were decent, we are cautious, we have this two phase mantra where we want to ensure sustainability, as well as continue to chase growth. Thanks a lot any questions we can take. I have some cough, so my apologies if I'm not audible.

Neha Joshi: Thank your sir. We are now ready to open the question answer session. I will now hand it over to Tanvi. Over to you Tanvi.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Malhar Manek from MHM Capital Markets. Please go ahead.

Malhar Manek: Thank you Sir, and it is great to see this initiative of more investor communication its very helpful and hope it will sustain over next quarters. First question that, please excuse me, I'm a bit new to the business. But if you could maybe explain a bit on what is the nature of our ServiceNow offering and also what is the percentage that it contributes to our total revenue?

Sunil Kulkarni: Namskar, So, basically the thought ServiceNow, we do end to end implementation. We do administration. So, there are three parts, one is the daily administration and operational support. Second is as is implementation, and third is out of box implementation, which is customization or integration with third party tools. So, far, we have two major clients, one from Japan, and one from US. In both cases, we are doing ongoing administration and support, as well as the new customization. The percentage is still small, I'm not sure how much it is exact, but if we look at our earlier up to two years we were doing mostly like Java .NET or PHP and so on. Last two to three years, we have tried to move on enterprise application, so ServiceNow was one, because we saw a huge demand in Japan, and so on. So, directly we have a small team. The exact contribution to the sales, I'm not sure I can check out and come back later. But it's still less, but the idea is that we'll move on to these packages our enterprise applications.

Regarding the communication thing, we are still unknown in the market and hence we want to ensure that we at least are transparent from our side and continue to build trust so we will continue to communicate as much as we can.

Malhar Manek: Sure. Also, if you could on the follow up, if you could maybe share how many other companies are doing such implementation for ServiceNow in India, and also whether we plan to have such sort of services for other SAS offerings also globally?

Sunil Kulkarni:	Yes, so in our case what happens is, so if there are, I'm sure there are like say 20, 25 ServiceNow vendors in India, but maybe more as well. So, in our case what we found is, so basically we are trying to see in that also how we can differentiate ourselves and thereby, when it comes to implementation in Japan or in ASEAN, there is a language layer that gets added. And hence, so, like ServiceNow we looked at RPI tools like automation anywhere where we actually help them localize for Japan market as well. So, we are looking at different enterprise solutions, where we can contribute at the same time, how we can scale up to other markets that still will look at it.
Malhar Manek:	Sure. Also, sir can you please give a geographical state of our revenue by country like how much comes from Japan, US, et cetera?
Mandar Inamdar:	Shall I take this Sunil?
Sunil Kulkarni:	Yes.
Mandar Inamdar:	Hi, this is Mandar here. In terms of geographical breakup, this quarter APAC contributed almost 59% to 60% of the total revenue, EMEA was 22% and US was close to 20%.
Moderator:	Thank you. The next question is from the line of Pranav Garde, Individual Investor. Please go ahead.
Pranav Garde:	First of all Congratulations to Mr. Sunil Kulkarni for great set of numbers. Actually, I don't have many questions, but I just wanted to check with you that the revenue which we generated eight crore for this quarter. So, how much percentage will be recurring revenue for the coming quarter. So, this eight crore is only for that project or any recurring revenue also will come in the coming quarter?
Sunil Kulkarni:	Thanks a lot, I really appreciate you joining the call. Again, this is not just a one project revenue, as I mentioned we have an kind of view or next two quarters we have an ordered book of around 12 crore. But these are kind of open orders, so the exact whether this project also of course will continue but there are other engagements as well, these were one or two highlights that I mentioned because in last quarter we had given some reference to that and hence end of time I had to allure on that. But other than that also we have some ongoing projects, many times we have ongoing MSS with clients and so on. But how much this will contribute to the next quarter, et cetera. I'm not sure exactly, but nevertheless from a order book perspective, we are looking at around 12 crore.
Pranav Garde:	So, this 12 crore order book that you have right now for the H2, so is there any time period when it will get executed in the coming quarter or it will take longer than that?
Sunil Kulkarni:	No, in these two quarters only.

Mandar Inamdar: Yes, so the 12 crore order book that we are talking about is will be spread over a period of next six months.

Pranav Garde: Okay. So, if any new order will come in future then it will be increased?

Mandar Inamdar: It is likely to increase, yes.

Pranav Garde: Okay. And by what time, do you have any projection by what time you will achieve the revenue of 100 crores or 50 crores or do you have an expectation of that?

Sunil Kulkarni: We want to achieve it next year also.

Pranav Garde: That is also great.

Sunil Kulkarni: No, but we hope that it's too early to say anything about that, the only thing is we are trying to put the building blocks together. So, earlier in past few years, it was always a bootstrapped effort for us and we never thought more on a strategic perspective. Now with the IPO proceedings and so on for the first time we have this opportunity to build a sales engine or invest in certain things or add advisory board or look at financial allocation of ours and so on. So, this is first year we are trying to see, run the entire cycle, reach out to advisors partners, and see how we can and then we'll have a clearer look. But it's difficult to say whether we, but at the same time we are not trying to leave any opportunities on the table, we are trying to chase aggressively on that. But trying to build it holistically we want if it is 100 or 50 or whatever, we want to ensure that we stay there and continue to build on that.

Moderator: Thank you. We have a question from line of Malhar Manek from MHM Capital Markets. Please go ahead.

Malhar Manek: Just few broad questions like what would be our split in revenue between time and materials contract versus fixed price contracts?

Mandar Inamdar: Sunil, I'll take this. Yes, so I would say 90% of the contracts that we do on the IT consulting projects side are time and material contract. And 10% will contribute to the fix price contracts. On the language localization side of it, most of the contracts are fixed price contract, but then there's one component which is within our language localization services which is localization engineering, and that is on a time and material basis. So, wherever we deploy still most of the times to work and deliver on engineering skill set it is on a time and material basis, at times, wherever there is fixed bid project, we understand the scope and totality which is not easier in localization business because the scope is very well defined and can be delivered at a fixed price bid where we continue to deliver on a fixed price because the entire scope in terms of volume, in terms of expectations, in terms of domain and it becomes easy and we continue delivering, fixed price, localization and IT consulting projects it is 90% time and material**.**

Malhar Manek: Okay, got it and can we talk a bit about how we look at competition because generally it's a very, very fragmented and unorganized also industry with many small players. What do we believe to be our competitive advantage there?

Sunil Kulkarni: Yes. So, basically Mandar please feel free to add. If we take the vanilla IT services, there are lots of competitors. So, that's why we have tried to differentiate ourselves with multilingual technology services or language engineering and so on. On the language of localization side we see at least in the Indian market, or global market there basically there are these vanilla translation agencies, which we don't compete with. Of course, we get localization translation projects as well. But these people don't have the technology side of it. And when there are technology providers, but who don't have the language expertise in-house. Like though companies who are trying to create fonts, device drivers for printing Indian languages and so on. So, again these are different, from a services perspective and from a scalable perspective. I see that at least in India we haven't bumped into someone who's regularly bidding for similar projects and so on. At global level there are of course companies but mostly these are acquired by biggies and so on. So, there's a huge opportunity out there, there are new areas in this where we are chasing areas like data enrichment, which means like annotation of data and making it more meaningful which is used in autonomous cars, of training in AI engines or Chatbot AI engines and so on. So, again, if you look at these kinds of value added services we are pretty sure that there are not many companies into this space. Mandar please feel free to add.

Mandar Inamdar: You summed it very well. And one competitive edge that we always had and will continue to have is the bilingual aspect of our offerings, there are few players who would work in that space where we not only try to add value in terms of the core requirement but we also top it up with requirements which would lead the language component to it. And since most of the global companies are trying to invite this language component into their services and offerings, it becomes imperative for them to have this language aspect embedded into their products and platforms. So, that's what differentiates us compared to someone who would want to deliver a software development instrument there. If there is a requirement to have a Spanish knowing Java engineer, it becomes a different proposition altogether where we stand out from others. That's an area where we stand up completely in the competition. As of now we are currently operating in this VUCA world where you will always see volatility, uncertainties and the business is complex in nature and business and as a company we always try to evolve and learn new ways to become successful, the old formula will not always work. And that's what we have try to do and try to do it our way of which is our own vision, the current understanding and clarity and agility. That's what helps us in our sustained growth to extend we continue to grow.

Malhar Manek: Sir, I got your point about the multilingual capabilities, but as sort of maybe as an entry what are the entry barriers, I get your point that as of now there are not too many players that do this. But in the future, is there some proprietary technology or some IT that we have which prevents new players from coming in?

Sunil Kulkarni: Thanks a lot. So, basically, there are a lot of entry barriers. One is of course client relationships. The ability to deliver on scale, which over there, which cannot be built over it, even if our own employees try to move out. If we see these require infrastructure for some clients we have developed API's connecting their systems and our systems, so when they create new content, one part of the content will come to us we'll do localization of it, and we'll pass it through another API. So, this requires understanding of their system our system. So, one is this part, two is from a technology perspective today finding a Java engineer or ServiceNow engineer becomes very easy, but when it comes to finding or adding a language layer working with the in-house linguists or hiring them or finding them, if you need Assamese engineer then where you will find it, it's not that easy to and even if you find one how to scale it up for 20 or how to de-risk by taking of the language component out of it. So, there over the years we have developed some serious expertise that said, of course we don't take lightly any competition anybody can enter this field but it's fairly complicated meaning when it comes to language part, there are areas of complicit.

Moderator: Sorry to interrupt, I would request you to please email your questions. Thank you. The next question is from the line of Anil Patel, Individual Investor. Please go ahead.

Anil Patel: So, just want to understand company more, are we present only in language based IT solutions or any other non-language based IT work also?

Sunil Kulkarni: We are developing or open to non-language IT work as well. So, if somebody reaches out to plain vanilla, so when say US company comes up and straight away will ask us to customize something in ServiceNow for example, or develop some cloud based application in English only, that's fine for us also that's fine, we do it regularly. Only thing is, then we may not necessarily will have an edge because the same company can go to Hyderabad to Bangalore or anyone, and so on. But the moment the same US client wants to roll out that same application in Spanish as well, to cater to the Spanish customers in the US. Then again, for them we stand out. So, while we are open to develop from technology perspective, we have technologies in-house we can do anything. But we are trying to see how we can play on our strengths.

Moderator: Thank you. We'll move to the next question from the line of Ankit from Vijit Asset Management. Please go ahead.

Ankit: I just have two, three questions. One on the attrition rate of our company, as you said we have new people who are joining and you're having difficulty getting people on board. So, what's our attrition rate and follow up to that, how many people do we have in our workforce in total, that's it thank you.

Mandar Inamdar: Okay. So, we have an attrition rate of 11% this quarter and 8% in Q1. So, I said it's 11% this quarter and 8% in Q1. In terms of headcount we have 160 employees on our payroll and we have about 51 retailer contractors.

Moderator: Thank you. We have Anand Patel in the question queue, Individual Investor. Please go ahead.

Anand Patel: So, basically what is the percentage of revenue coming from the English side?

Sunil Kulkarni: I don't have handy numbers, Mandar do you have?

Mandar Inamdar: Your question, just trying to understand what is the revenue which is coming from projects where there is no language component right?

Anand Patel: Yes, only English yes, the main basic English

Mandar Inamdar: So, I do not have an exact to the point number but if I have to estimate the English only projects would account for maybe 30% of the revenue.

Anand Patel: Okay. And sir what is the market size of multilingual, the software industry in India and globally?

Sunil Kulkarni: Globally it's more than $40, $50 billion because in this field there are the top company like Transperfect, LANbridge, they do around $1.5 billion of revenue. Globally, it's more than $40 billion, the language industry and to it the technology industry, so when we look at multilingual we can fairly assume that $40 to $50 billion minimum is.

Anand Patel: And regarding this +25% EBITDA margin which are in Q2 are they sustainable?

Mandar Inamdar: So, we believe they are sustainable with the abundance business opportunities that we're looking at, with the order book already in place, which we mentioned we consider that we should be able to do well in the coming two quarters as well.

Anand Patel: Okay, sir thank you. And one more question sir last, what is the contribution from top or top two or top three clients in Q2, because our actually order book for H2 is lesser than the order executed in H1. So, just want to understand the client concentration and about this lower order book for H2 then H1?

Mandar Inamdar: The question is in terms of percentage?

Anand Patel: Yes, in terms of percentage of revenue, what are the top two or top three or even top client contribution in this Q2?

Mandar Inamdar: So, as I stated earlier, our top five clients contributed to 59% of our revenue this quarter.

Moderator: Sorry, Mr. Anand I would request you to please email your questions. Thank you. The next question is from the line of Prateek Patel, Individual Investor. Please go ahead.

Prateek Patel: In fact, I had two questions one, got answered that was related to the guidance on EBITDA margin going forward. And there we mentioned somewhere around 25% margin which is on a sustainable basis. So, next question is related to the group structure. So, I just want to understand do we have any other group entities from where also we can execute similar kinds of contracts similar nature of services, because I understand we have multiple entities under the same group and largely I believe those are into similar nature of service.

Sunil Kulkarni: Yes Namaskar. So, regarding this the other entity do not have the execution capability. So, like for the entity in Japan they are closer to the customer, they get the project they understand the requirement and then pass it to India. And the Indian entity then execute it, in terms of technologies and the available infrastructure and expertise and so on. So, the other entities cannot by themselves in the entirety deliver anything on their own this is just to answer your question.

Prateek Patel: Okay. So, in that case, how do we record the profits in the entity which is listed in India?

Mandar Inamdar: So, all of these entities are legally independent entities, that's not a subsidiary or branch of each other. These entities have their own business agenda.

Prateek Patel: Okay. And I'm sure we will be following of all these transfer pricing kinds of regulations?

Mandar Inamdar: Yes, correct.

Prateek Patel: Sure, and one final clarification, just before the announcement and launch of the IPO we used to have one subsidiary in which Fidel used to have more than 51% of holding, but just before the IPO, we sold some of the stakes and brought it below to 51% that is why in a way we just stay away of the definition of consolidation or subsidiary kind of relationship. So, was there any specific reason behind that?

Sunil Kulkarni: There are two aspects. You are referring to this entity called LinguaSol. So, while there is no specific reason, mainly what happens is our Fidel Softech is a services nature business. So, services may our approach is we can do anything kind of. And then LinguaSol is a product company or a solution based where they can do only certain part and so and hence the sales cycle, the mindset and the more longish nature, different nature altogether and that was one of the thought process behind it.

Prateek Patel: Okay. Just for the information, what is the top line and the profitability of that company?

Sunil Kulkarni: I'm not sure, but we can get back to you on that, approximately it would be around two to three crore of the top line.

Prateek Patel: Okay, much lesser than the size of the Fidel Softech?

Sunil Kulkarni: Yes, as I said it's a product.

Moderator: Thank you. The next question is the last question for today, which is from the line of Nikhil Chandak from JM Family Office. Please go ahead.

Nikhil Chandak: I just wanted to continue with the question which one of the other participant was asking, on the order book. So, you have done roughly 15 crores revenue in this fiscal year, but your order book is roughly around 12 crore so how should one understand this, is this the normal visibility of order book which you have or this order book gets beefed up or how should one read it, because it's lower than the first half of for revenues of the first half itself?

Mandar Inamdar: So, the order book that we are currently talking about of 12 crores it's something which we have a visibility and which we kind of assure to execute. However, this does not take into account any new additional orders that our sales team would continue to back throughout the next six months. So, that would add up further, is our confirmed customer accounts who we anticipate where clause of business, concerned order booking and there's something which is not included in this 12 crores is the new customer acquisition, the project that we will deliver which are outside this 12 crores.

Sunil Kulkarni: Or even whichever projects or whichever clients where we are seeing further opportunities or in additions to existing projects also we are taking off very conservative view, knowing that things are pretty volatile all over the world and while we are and immediately our customers don't show any signs, but we never know so from that perspective we have taken a very conservative view.

Nikhil Chandak: No, obviously you can have an order book, you can have a contract in our order book only once it's signed and sealed, so to say so that I understand.

Sunil Kulkarni: Yes, there are two angles here again, in many cases so how in our case the project work two ways one is the customer has a requirement he gives the RFP and we give a quote and we secure that order. Second is, the customer where we sign up MSS we fix upon rates and then over the year we get business. We have not added those kind of business because we also don't have a view on that, over the years we have filled up, we know that certain projects will come up but we have not added any those, wherever we have it's a kind of assigned to or we have a good visibility only that we have added, again these are first year we are trying to understand we don't want to go overboard by typing any numbers here and there.

Nikhil Chandak: Fair point. I appreciate that. The other second question was, just on a particular contract, I just wanted to be sure somebody else also had asked the risk of technology taking over the manual work which is done by say your translators. Now, how much of a scope of work is manual and how much does technology play a role in that contract which you have just on a broad basis?

Sunil Kulkarni: First of all, thanks a lot. So, for the many people think that say Google translate can do and so most of our enterprise customers will not go for this machine translation what we call because there is no understanding of context and so on, we also leverage AI to reduce the review time or

to ensure consistency, leverage, reuse of words and so on. But, while this Deep L, Google, and many of these companies have come up with this, there is lot of work which where human interaction or human is needed. At the same time, we are not just going for just manual this thing, how we can semi automate some part of it, so as to better our own performance. So, we don't see machines taking over or completely on the language set of just to give you an example if I say Bank, Bank of India, I bank on you or river bank, anything I can mean so the contextual part and enterprise they don't want to get sued. They want to ensure that the correct nuances are when we are working with the banking system or enterprises websites and so on. So, so we don't foresee these machines taking over here.

Nikhil Chandak: But how much portion of the work which you do, technology play a part, ma'am if you can please let them complete the answer please.

Sunil Kulkarni: In most of the work that we do technology is so for example whatever, let's say even if we are doing some manual translation for this we use there is a parlance called TMS, what we say translation management systems. Some of them we have built in-house as proprietary tools, some we use as licenses and so on. But here whatever we translate, it gets piled up and it gets reused. So, next time if there's a similar work or segments, I don't have to redo everything, I can reuse certain things. How much can I reuse in a certain context, we also don't know many times, but anywhere between 20% to 30%, we can reuse our own work while doing a particular. So, technology comes into picture. Unless let's say, if someone says to translate birth certificate so in that anyone can do that themselves but then those people will not come to us, they will go to some other freelancer or translator and so on. In our case we are talking of we want to localize or launch our internet banking system in three languages. Now here how to extract their data how to store it in Marathi, how to ensure that strings are not cut. There is a lot of engineering work that comes in picture and there we feel that we have competence.

Moderator: Thank you. Due to time constraint, I would now like to hand the conference over to Mr. Sunil Kulkarni for closing comments.

Sunil Kulkarni: So, thanks a lot, I really appreciate we are still learning trying to, while we know our own business but going public, and this is all new to us. We understand that as an SME, it's up to us how much more we can communicate from our side, whether good or bad or unclear or whatever. We want to ensure that we build our trust in coming months and years. We'll try to answer as much as possible whatever we know. And of course, we will chase growth, we will chase performance and while we are chasing quarterly numbers we actually don't have a quarterly view whatever we are building we know that next five to 10 years, we have to have a sustainable edge. Thanks a lot, we'll continue to stay connected with you all. Thanks.

Moderator: Thank you. On behalf of Fidel Softech Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.