

Date: - 05th December, 2023

To,

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), Mumbai- 400 051,
Maharashtra, INDIA

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai-400 001
Maharashtra, INDIA

Symbol: SIGMA

Scrip Code: 543917

Sub: Transcript of Management Interaction with Investors

Dear Sir/ Ma'am,

Pursuant to Regulations 30 read with Para A of Part A of Schedule III and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we attach herewith the transcript of the Company's analyst call held on December 01, 2023.

The transcript is also uploaded in the Company's website at :-
<https://sigmasolve.in/wp-content/uploads/2023/12/SSL-Management-Interaction-Transcript-v3-Latest.pdf>

We request you to take note of the same and update record of the Company accordingly.

Thanking you,

**Yours faithfully,
For, Sigma Solve Limited**



Prakash R Parikh
Managing Director
DIN: 03019773

Encl.:-A/a



+91 9898095243
079 29708387



www.sigmasolve.in
CIN:L72200GJ2010PLC060478



801-803, PV Enclave, ICICI Bank Lane Road
Sindhubhavan Road, Ahmedabad - 380054



SIGMA SOLVE

ENTERPRISE SOFTWARE SOLUTIONS

“Sigma Solve Limited
Management Interaction Conference Call”

December 1, 2023



**MANAGEMENT: MR. PRAKASH PARIKH – MANAGING DIRECTOR –
SIGMA SOLVE LIMITED
MR. PRERAKH PARIKH – CO-FOUNDER OF SIGMA
SOLVE INC.
MR. BIREN ZAVERCHAND - CO-FOUNDER OF SIGMA
SOLVE INC.**

**INVESTOR RELATION: MS. TANYA VERMA – GO INDIA ADVISORS
MR. RAKESH ARORA – GO INDIA ADVISORS**

Tanya Verma:

Hello everyone and welcome to Sigma Solve Ltd. Management Interaction. We have with us on the call today, Mr. Prakash Parikh, Managing Director of Sigma Solve Ltd. And Mr. Prerakh Parikh along with Mr. Biren Zaverchand, who are the co-founders of Sigma Solve Inc. I must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company may face. I now request the management to take us to the company's business and financial highlights, post which we can open the floor for Q&A. Thank you and over to you, sir.

Prerakh Parikh:

Okay, all right, I can get started. So hi, everyone. Thank you for joining this morning. I'm actually in the US, so it's a little early for me. So, I'm Prerakh, I'm 1 of the co-founders here at Sigma Solve. And thank you for giving me the opportunity to present what Sigma Solve is, and what our vision and mission for the company is. So, I'll just start off with a little bit about Sigma Solve. We are a technology consulting company. Our focus is on building enterprise software solutions for a lot of customers here out of the US. And consistent focus has been around how do we improve customer efficiencies and help them drive their vision for sales, growth and digitization. As a company, we are present in the US, India and Australia. US is where our headquarters are and me and Biren here are 1 of the co-founders. So, we are both located in the US. 1 of the strong value propositions we have as a company is our hybrid delivery model, by which there is a strong management team who actually resides in US and we have a true local US presence. And then there is a development centre out of Ahmedabad as of now. So, we are about 250 employees strong with the team spread out in the US and in India. As far as some of the technology stacks that we focus on, we are on Microsoft, there is open-source stack that we do. We are pretty strong with cloud computing, especially AWS and process automation.

As a company past 3 years, we've been very successful. We are continuously listed in Inc 5000 as 1 of the fastest growing companies in the US for past, I think about 4 years now. And this year also we made it to Inc 5,000 and our rankings has been consistently growing. So has our revenue been. Beyond just being a services company, 1 of the key directions that we have also taken is to become more on a vertical play platform, meaning focusing on a couple of industries, specifically around logistics and also building... Sorry, there's still some background noise. And also building a SaaS product around verticals. I think 1 of the last interactions I've had with a few investors, we brought up about some of the SaaS platforms around customer data, around logistics, and also around dental insurance. So, we are still working through those. We are still pursuing them. We've got quite a few customers already on the logistics space. And then we are building out more on the customer data as well as the dental insurance platform.

As I said, 1 of the common questions that we generally get is, what is our differentiator? There are so many companies who offer technology services. And the main differentiator for us always has been that the promoters, we reside here in the US. It's a true US presence and not a satellite office. When you look at the landscape of all companies who offer digital technology services, a lot of them have a strong dev centre, but as far as where the customer is, whether it's US, Europe, Australia, companies who are very successful, they always have a strong sales office there and a true presence there. The ones that find it hard to scale up are the ones who just have a satellite office. For example, they could have a couple of sales guys here and there, but that doesn't really

genuinely help you scale the business. And when you look at any of these, even like TCS, Wipro, they are too large. We couldn't compare with them. But even if you look at mid-tier companies who do, let's say, 50 million, 100 million, this is the only commonality on how they have grown, which is why we are positioned perfectly to kind of continue on what we are doing and then accelerate the growth.

As far as the long-term vision, the vision for the company is to get to be a \$30 million top-line company over the next 4 to 5 years. And that is based on the fact that if we compound our growth at 30 to 35% year over year, we should be able to achieve that growth target. Considering our operating margins and everything, we should be at around a \$10 million EBITDA company when we get to a \$30 million top line. So that is kind of at a high level, where, how, what we do, where we are right now and where we want to go.

I can open up for questions or, Biren if you want to add something.

Biren Zaverchand: I think that's well summarized. If you have any questions, we can go through a Q&A and answer anything specific.

Tanya Verma: Requesting everybody, to ask a question, please raise your hand using the reaction button. First question is from the lines of Shikhar Mundra. Please go ahead.

Shikhar Mundra: Just wanted to know what kind of growth are we looking at for the next 2, 3 years?

Prerakh Parikh: Yeah. So, the growth we are looking at is 30 to 35% year over year. So, in terms of, dollar terms, we should be looking at around for the next year, we should be looking at closer to 10 to 11 million. And then the year after, we should be looking at around 14 to 15 million.

Shikhar Mundra: And the margin profile is expected to be similar or is it sustainable, these kinds of margins?

Prerakh Parikh: Yeah, I strongly feel they are sustainable because for us to even get to these kinds of top lines and continue to grow, we also have to get into higher end technologies. And when you get into those, the cost goes up, but at the same time, what you can demand a premium for those services as well. So yes, the cost will go up but I feel that the value of the services also goes higher.

Shikhar Mundra: And what's the current employee base of the company?

Prerakh Parikh: Around closer to 250.

Shikhar Mundra: Okay. And where do you see the number of employees in the next 2, 3 years?

Prerakh Parikh: So at least let's say when we get to in 2 years, we, the goal is to get to around 450 to 500 employees.

Shikhar Mundra: Right. And is that revenue per employee also has that also improved that metric over the years? And when you see that way?

Prerakh Parikh: So, revenue per employee definitely has improved and I think it will continue to improve mainly because of what services we offer, plus when we get into a SaaS platform, let's say like logistics,

right, we've built a lot of solutions out. We are getting already to a point where there are, as we acquire new customers, the cost to build or the cost to service is extremely low because 80 - 90% of what we are offering is already in place. So, the incremental cost kind of kicks in, which really drives the revenue per employee higher.

Shikhar Mundra: Right, right. I'll join the queue for further questions. That's it. Thank you.

Tanya Verma: I would request all the participants to raise their hands in case of question.

Rakesh Arora: Mangaldeep, go ahead and ask your question.

Tanya Verma: Mangaldeep, can you hear us? Next question is from the lines of Deepak Poddar. Sir, please go ahead.

Deepak Poddar: Hello, hi, am I audible?

Prerak Parikh: Yeah.

Tanya Verma: Yes, sir.

Deepak Poddar: Hi, good afternoon. You said, so you mentioned your growth plans, but my question is regarding the current scenario. So, can you cite the key reasons which led to a flattish sort of growth in this quarter over the previous quarter? And yeah, so that'd be the first question.

Prerak Parikh: Yeah, I think the predominant reason is the slowdown in the economy, especially, let's say, even around logistics. There were a lot of, let's say like Morse, for instance, Morse laid off 10,000 employees. There are a lot of larger logistics companies who have kind of started to slow down and at least for the next quarter or so, decided to put a hold on a lot of things. So that was 1 of the predominant reasons. We did not see that in the first quarter, but we did see it towards the end of the second quarter and we are seeing it in this last quarter.

What we are expecting is that beginning of 2024 or the, we work off of the US fiscal year. So, my quarters are a little off, but the second quarter of 2024, 2025, which would be April, May and June, right, I think that's when we should start seeing a little bit of a turnaround. That's what, when we talk to a lot of customers, a lot of prospects, that's what we are hearing. So, I mean, that to me is the only reason because nothing really has changed on our end. If anything, we've accelerated on what we offer, how we offer, we've accelerated on the sales team build up. So economy is the only reason right now for that flattish growth.

Deepak Poddar: So, you said April, May, June, which is quarter 1 in our fiscal cycle.

Prerak Parikh: Yes.

Deepak Poddar: So, so yeah, so you expect recovery then. So, what about the next 2 quarters? What, what, how do you see the economy and the overall environment for the business?

Prerak Parikh: So, this quarter we are already in December. So, we're going to continue with this. And the first quarter is where we're going to see how things play out. We've got a few things in the pipeline

as far as commitments from existing customers go. And it has been sort of a mixed thing because sometimes when the companies are looking at cost cutting, it's actually opening up an opportunity for us.

Let's say for some existing customers, it did open up opportunities because they were paying a higher dollar value on, and because we were already there, they decided to pass on the business to us as an existing vendor. So that plays in our favour with existing customers. As far as acquiring new customer, it gets harder because they are not signing up any new vendors at that point in time. So, it's kind of a balancing scale right now. And we just have to play it by the ear to see how things shape up.

Deepak Poddar: Don't have a concrete outlook. How, if you will see a good growth this year or the previous 1, because I think you expect things to only improve from quarter 1 next year. General idea, existing business, how will that form in the second half of the year, which is now like, of course, quarter 3 is halfway there. And then the last quarter for the Indian fiscal. So up until March, from now on.

Prerak Parikh: So up until March, I do feel that it's gonna be the current trajectory, which is to your point, a little flattish. I don't foresee that we're just gonna have that huge spike the last quarter of the Indian fiscal year. So I do feel that it's going to be a little more flattish trajectory because what we do have in the pipeline, there's been a lot of good discussions, but companies are putting a few things on hold and that kind of is something we just have to wait out and see.

Deepak Poddar: Got it. That's all I had. Thank you. I'll get back in queue. Thank you

Tanya Verma: Next question is from the lines of Mr. Anil Kumar. Sir, please go ahead.

Anil Kumar: Okay, thank you for the opportunity. So, okay, as we are like growing company and probably more aggressive towards gaining more and more projects, because that is the probably key driver or key things that will determine the company future. I see from the presentation and this is purely I don't know how much that is correct or not because the number that you said total number of employees 250 whereas it shows something around 185. So the number of people in sales and support team that has gone down from 24 in Q1 to 15. So what's the reason for it?

So I'm referring to the presentation probably. So I don't know whether that presentation is correct or not. If it is, then my question is on that. So if you are looking at aggressively probably gaining more and more contract then our emphasis would be in increasing the team rather than decreasing the team. So what's the reason for it?

And the second question is like, how much we are kind of aligned towards a new technology, new in the sense like AI, I mean, do we have any kind of projects on that? And what is the contract value or kind of size of those contracts? And what's the pipeline is looking like?

Prerak Parikh: Right. So, the first question, there is absolutely maybe if it's in the presentation, we need to look at it, but there is absolutely no way we would have gone down on the number of sales employees.

Biren Zaverchand: Let me answer that maybe Prerak. And you know, what happened was we had a new division come up in terms of marketing. So, we made some shift of sales people moving to marketing. And that's why you know, those employee count has not gone down. But we started offering marketing services. And we made that shift internally. So that number reflects to that basically. It's not an employee reduction. It's just a shift and creation of a new division in the form of marketing.

Anil Kumar: So basically, OK, my probably follow-up question on this is, what is the marketing or sales strength and how are they geographically distributed? Are they are concentrated only in US or they are there are like people who are in India or European region as well.

Prerak Parikh: Yeah, so the sales is distributed in US and India. We don't have, anybody in Europe, but in the US where I am in Atlanta, where Biren is in Florida, that is where we have sales people. And then there is lead generation guys and a few sales people out of India. The marketing thing that Biren talked about that is marketing 360, which is digital marketing services. That is something that we added on in, I think in last 3 to 4 months. That is when we hired a VP of marketing with the goal to improve our brand presence, Sigma solve as a company, and then also start offering digital marketing as an add on service to existing customers.

Anil Kumar: How is the pipeline? Can I talk about the pipeline? What is it looking like and how it is like? What's the dollar value for that? And what is the time frame for execution of those?

Prerak Parikh: Yeah, so the pipeline right now, logistics, we are still very strong and we are getting to that point where we are able to kind of reuse what we have built out for customers over the last year. So that pipeline definitely seems very strong. And I think 1 of the key things that makes me feel confident is that this pipeline is not based on just inbound effort. We have extensive outbound sales efforts out of the US. So, we are really out there hunting and getting deals, whether it is through cold calling campaigns, going to trade shows. So, I feel like we are sort of in charge of our destiny here with all the outbound efforts, and we are not just relying on an inbound effort to get a lead and all. So, to me, that's a big differentiator. We are actively hiring for head of sales also in the US. We are actively hiring for 1 key vertical that we are going after to add on to for the next year. So that's where we are hiring sales people, solutions architect. So the pipeline right now seems really strong. The only reason I'm hesitant is because how the economy is, We've got connections across some really large companies and some of those had to be finalized in this last quarter. Sorry, I keep shifting in the quarter between US and India, but this current quarter, those had to be finalized, but they got put on hold. So, the hope is that next year when things start turning around a little bit, all those go through.

As far as AI, I think you asked about newer technology. So that absolutely is where we have to be and where we are. We've already built out, several AI based, we've already done several AI based implementation. I can talk to a couple of them. So we've built out learning management systems for companies where if you are a company with let's say 10,000 SKUs, the big challenge is for your sales team, for your customer support team to know what your products are. And so We build a learning management system where using AI, we ingest all that knowledge base about the products, about the policies of the company. And then that is what the company uses for onboarding salespeople, onboarding support, and also reaching out and answering prospects

and customers. So that is a great use case of AI. We already have customers who use that. The other use cases for AI are around dental insurance, where we have added AI to the insurance adjudication platform that we are building out that helps predict better what the, when the adjudication happens where the dollar amounts end up. So we are very much in there. We have to be, I don't think it's optional with the speed at which AI is going. So that definitely in the play. We are also working towards an Azure Cloud AI partnership with Microsoft. That requires a lot of expertise that requires people with a lot of certifications. So that is 1 key goal for the company as well.

So that when we go and pitch to fortune 500 companies, that is our differentiator that we are cloud AI partners with Microsoft. We are not the only ones, but that is how the value proposition is established. So that, that definitely is 1 of the key goals for us. And process automation, process automation initially was not very AI driven. It was more about bots and programming bots to do things, but these platforms have also evolved. So, I mean, it's a no brainer. It's not something we could move forward or even survive at this point without building that expertise.

Anil Kumar: Also, okay, my, 1 question that remain unanswered. So that is like, how much is the dollar value of the current pipeline and how is the execution or probably the already where the contract has been signed? And what's the dollar value? And what is the timeline for execution of those?

Prerak Parikh: When you say Pipeline in terms of what has been awarded to us or what we are looking in the sales pipeline with certain probability.

Anil Kumar: So, both sides, like what is the pipeline like, how, when do you expect that to get converted or get contract, when this contract to be signed and what is the dollar value of the contract that has been signed and what's the execution time like because that will define the kind of revenue outlook for the coming years or so. So, I'm trying to gauge from that.

Prerak Parikh: Yeah. Right. So, what has been signed, I think we are at least at about 1 and a half million US dollars. And the execution for that is over the course of next 8 to 10 months. What is in the pipeline with certain percentage of probability that it will close, it's a little hard for me to just give you right off the bat because we've got a lot of sales people, a lot of leads coming in with different variations of probability of what will close, what will not close. So, but if I had to ballpark it, I think it probably has to be somewhere around 2 and a half to 3 million.

Anil Kumar: Okay. Thank you.

Prerak Parikh: See, just to maybe elaborate a little bit. So, our focus as a business is to make sure that we have churn of about 10 to 15% most and we acquire about 45% more business than the last year. That is how we get to our net 30 to 35%. That is the fundamental guiding principle on how we get to that growth. So, because that churn is inevitable, some projects do finish, some customers do move on, some are fixed cost. So that churn is an inevitable. And the goal is to get to that 40 - 45% growth, a new business, whether it's through new customers or upselling to existing customers, and then offset that 10 to 15%. So that's kind of the model we are in.

Anil Kumar: Yeah, thank you.

Tanya Verma: Next, we have some questions in the chat. First 1 is any major new projects/clients in the near future, which will increase the revenue of the company?

Prerak Parikh: Yeah, I mean, we have to have right like so that numbers that I gave around the pipeline of 2 and a half million. So that absolutely accounts for that. I'm not at liberty to give out any names of the customers, but we have a \$3 billion logistics company that we are talking to. We have a very strong position there. We are actually sponsoring if anybody is in the US and knows there is an event called Inspire CIO, where it is 1 of the leadership events across CIOs in America. We are actually sponsoring that and I'm actually going to be there next week. So, this is where I was saying that the true presence we have is what comes into play. And when you look at some of the other companies who are there, IT companies like Okta, IT companies like TCS, those guys. So even though we are a smaller player, but when you look at the context of things, that's an event that only a CIO can invite a partner. So, we got invited by a CIO of a billion-dollar company to be there and they are going to try open up opportunities for us.

Right. So that only comes when we've delivered for them. They have a lot of trust in us because they are putting their name on the line as well. So, you can definitely look up, it's called Inspire CIO. It's on our website also, it's called Florida Orbi Awards. So, a lot of these relationship building is where the differentiator lies. And let's say if we go meet a lot of these CIOs of companies like Ashley's Furniture, they do a billion dollar, Crowley, they do \$3 billion. These interactions are what make things happen.

Tanya Verma: Okay, we have another question in the chat. Is there any plan to increase offices/employees in India based on future projections?

Prerak Parikh: Absolutely, absolutely. So, as we get into, let's say some vertical around, let's say Microsoft Dynamics or NetSuite, the absolute goal is to set up an office either in Pune, Indore, Bangalore, some part that is where the talent is available more freely than Ahmedabad and especially the quality of talent that we need. So that absolutely is the goal.

Tanya Verma: Next question is from the line of Mr Lalit Rai. Sir, please go ahead.

Lalit Rai: Yeah, hi, can you hear me?

Prerak Parikh: Yeah.

Lalit Rai: Yeah. So, hi to all of you. The question is around the order book that you mentioned or the visibility that you were giving that you are in conversation with people for this incremental 1 and a half to 2 and a half million-dollar pie. So just wanted to clarify. So, we are already doing about 2 million dollar per quarter, right?

And almost there in terms of quarterly run rate for revenues. So, this will be incremental to that. And that's how you are saying that once this 1 and a half to 2 and a half million dollar fructifies, this 2 million dollar per quarter, which even without assuming any growth over there is 8 million plus you get about 2, 2 and a half million dollar additional, so which is where earlier you were guiding for about a 10 to \$11 million top line next year. Is what it comes to, right?

Prerak Parikh: Yeah, absolutely. So, let's say we consider 8 million as the baseline as of now. When you do a 10% to 12% churn, that will take over a million. So, you are at 7. And then when you add back this 2 and a half to 3 million that gets us to that 10ish million top line.

Lalit Rai: We did about 55 crore top line March 23 and we are at 16 crore per quarter run rate now, So let's say next 12 months, then we are looking at about 80 crore to 85 crore and if things get better, you were saying in June, then maybe an even higher top line. So maybe in the vicinity of somewhere between 80 and 95 crore depending on how things play out in terms of demand.

Prerak Parikh: Correct. Yes. Yes.

Lalit Rai: Okay. Thanks for that. Second is, so we started this new office in Ahmedabad, right? So how are the utilizations there in terms of space and how much can you scale up within that office?

Prerak Parikh: I think for us, we, maybe contrary to a lot of people may believe, but we do feel that we need employees in the office. So that was the fundamental principle of saying that we do need to expand our offices there. So, right now we do have about 60 to 65% of employees who do come to the office and we are making it required because we feel the efficiency and the demand for collaboration is much needed. So, the utilization is absolutely there.

Prakash Parikh: And our office TV, it is under our possession. If we are expanding them, we can shift the people over there also.

Lalit Rai: Right, sir. Understood. And sir also, just wanted to understand so you know we are still very small in terms of top line, right? With a little bit of aggression on the sales side, even in a slowing environment, we should be able to do well. Also, regarding the slowdown, like we do hear from other large IT companies as well, mid cap IT companies, everyone is talking about, you know, a deferment of some projects etc. And it's understandable that there was a massive surge post COVID and there was maybe a disproportionate amount of spending which is kind of levelling out and with this new chat GPT and other things coming through people want to be sure where they invest the incremental dollar and therefore, they are reassessing on that front. Now, we have had this huge advantage that is as far as you know, the tools that we provide.

So, the legacy providers of these tools for the clients were having a very high operating cost. So, they have to deal with the you know, \$100 to \$150 kind of billing rates where we are able to come in and with our India delivery model offer between \$20 to \$40 kind of rates and therefore have a big edge over there and are able to take business. So, nothing has changed on that front, right? So, we continue to enjoy that advantage. And also on the slowdown side, like the economic numbers seem to be okay in the US like you just had a very high, almost a 5% GDP print.

So, it's not like the economy is slowing down. It just seems that people are rationalizing their IT spend dollar as to where it is going and they want to be sure you know, so you see like, how confident are you on this pickup that you're talking about going into next year if it's not emanating from economic slowdown, and if it's just rerouting of the dollars, then our customers telling you this that you know, this is what we are doing in terms of reassessing and in 3 months, 6 months' time, we'll come back to you and maybe with even larger projects.

Prerak Parikh:

I mean, it definitely has to stem from what the customers are telling us. In 1 viewpoint, we are too small to have a major impact due to economic slowdown. However, from another other viewpoint, we do have customers that are fortune 50 fortune 500 companies. So, they do get that impact, right? So, the smaller customers we have, they don't have an impact. The larger customers we have, they do have an impact. So, where that ratio falls on us is something we are also kind of getting a hold of. And yes, I mean, that's what the customers have been telling us that let's put on hold and we are just waiting to see how things happen. Next year, it's also us election. So, a lot of those things are in everyone's mind. Also, the biggest thing obviously is the interest rates right now. So, when they drop what happens then, right? So, maybe the GDP and all at 5% and all, that maybe I don't think has too much of an impact on a size of a business we are, but like these interest rates, these massive layoffs, even if a company is not looking to lay off, that does put a doubt in their mind that should we continue spending if others are laying off, right? So that creates this whole perception and we just have to see when that breaks.

Lalit Rai:

Okay, also the funding environment for smaller companies has turned difficult, you know, the startups kind of place. So, has that also been 1 of the challenge and it's causing you to reorient yourself to towards the larger clients in terms of your sales efforts?

Prerak Parikh:

Yeah, absolutely. Because we do work with startups, but with the funding drying up, Silicon Valley Bank folding, we were lucky enough that we didn't have much of a bad debt with these startups. But yeah, I think any startup is at a risk even for us as a customer. So, I'd rather not work with startups right now, but work with a company who does 15-20 million, 50 million, but they have been there for a long time. So have the cash flow to support on this. So yes, absolutely. We are very cognizant of the fact of who we work with, especially if it's a startup.

Lalit Rai:

Sure, and all this environment is not leading to any challenges on the receivables front, right? So bad debts, etc. Nothing, no challenges in terms of collecting monies for the services we are delivering.

Prerak Parikh:

Not as of now. We've not had anybody to date that says we are folding up or we are filing bankruptcy. We've not had a single customer as of yet.

Lalit Rai:

Okay, and on the product side towards the end of this year, we were looking at having a couple of them in place and you did mention products on the on the logistics side as well as the dental insurance side. So, I'm guessing initially, once you put the product in place, initially, it will probably be tried out by a handful of people only. And as you know, and then gradually you gain traction over there. So how can that build out over the next 2-3 years? How significant can that be? And I understand there is products also, like projects but with you know less and less effort required for incremental implementation. So, would that help you in, protecting your margins, at these very strong levels of 35 to 40%?

Prerak Parikh:

I think if anything, it's only going to boost those margins up. And margins is obviously important, but even more important is the acquisition of business. Because as we go through and start building these out, that is the differentiator that we are able to build against other services companies. When we say that we are logistics experts, we truly mean we are logistics experts. And even within logistics, there is so many verticals that you go through. There are people who

move containers – Drayage, there are people who move cars - Auto transport. There are people who move individuals. Like they work with Facebook to move 500 other employees, right? So, within logistics, there are a lot of different smaller verticals. And as we gain that knowledge, working with some customer, we modify our platform to let's say a drayage company or to an auto transport company or to a maritime corporation, right?

Then that's the advantage we start getting or finding the next deal, finding the next opportunity. And even for a customer, they are a lot more confident because they can really see what it's going to look like. Not having to wait for 6 to 8 months to get the product built out. So, I think overall, I think it just, it's an extremely strong value proposition. We are already seeing that in logistics where the sales cycles are getting a lot shorter for us.

We are able to do a lot of proof of concepts much faster. When we go meet customers, we are able to show something very quickly like, hey, this is what we've done. Go call this guy, get a referral if you need to understand what we've delivered, right? So, I think all in all, I'm very, very convinced that this is the path forward and the path forward for us on how to operate logistics is 1, We are going to identify 1, 2, other 3 verticals, but those take time to acquire knowledge, find set of customers, build a sales team. But I'm very, very convinced this is the path forward for us to have a vertical play, not just a technology play.

Lalit Rai:

Sure Prerakh. I think just 1 thing got missed over here. So, this cost advantage that we were talking about, you know, we being able to offer billing rates of 30, 35, 40 dollars versus the competition at much, much higher levels because they are operating and delivering out of Western geographies. So, despite the wage inflation that India has seen in the last couple of years. And you have also seen that. So that advantage still continues to be in play? Or has that got affected?

Prerak Parikh:

No, that still continues to be a driving factor. And about increasing wages, I think the supply demand has totally changed. There was a huge shortage of software developers. It was extremely hard to find people that we've seen that totally turn around in last few months. The ease with which we are able to hire people, the ease with which we are able to retain people.

Obviously, they are not going to come with lower salaries, but those expectations and that constant crunch and the attrition that has very much levelled out. So, and the margins still remains, remains the same, right? Because if we were able to operate at this margin when there was super crunch on talent, now, if anything, that has really levelled out, our margins are going to be a little better.

Lalit Rai:

Sure. And also, just before I close, many congratulations to the management in terms of putting the minority shareholders, you know, interest up front and merging the US entity completely or acquiring that balance stake and for a very, very reasonable sum. Going by the market price, it would have been at a multi fold valuation. But thanks a lot for being considerate towards the minority shareholders and doing the needful. Thanks a lot. That's all from me. Thanks!

Prerak Parikh:

Thank you.

- Tanya Verma:** Next, we have a few questions in the chat box. 1 being, what is the percentage of top 5 and 10 clients in the revenue?
- Prerak Parikh:** So top 5, we should be around 35 to 40%.
- Biren Zaverchand:** And the top 10 could be around 65-70% give or take
- Tanya Verma:** Next question is what about free cash flow? Is the company able to generate free cash flow now and what is the future projection?
- Biren Zaverchand:** Yeah, absolutely. Free cash flow we are generating just like before. We won't get into specifics but probably in the range of 200,000, give or take, every month actually.
- Tanya Verma:** Next question is the acquisition of Sigma Solve INC itself increased the revenue to 80 crores as per current revenue starting from next quarter due to 100% consolidation of Sigma Solve INC. The guidance given of 30 to 35% is over this?
- Prerak Parikh:** I don't think that's accurate. With the acquisition, the revenue is not at 80 crores.
- Rakesh Arora:** The Revenue is already 100% consolidated. It is just the PAT where the minority interest will not be there. So, part will go up but revenue will not probably.
- Biren Zaverchand:** Answer is the top line is 8 million and we still continue to grow at 30-35% from 8 million. So that's 65 crores not 80 crores.
- Tanya Verma:** I would request the participants to please raise your hand using the reaction button to ask a question.
- Rakesh Arora:** Looks like there are no further questions. So back to Prerakh and Prakash ji if you want to do any closing comments.
- Prerak Parikh:** I think a lot of good questions around the strategy on how we are operating, obviously the financials. So, I think the closing comment would be that we are absolutely focused on this. This is the key focus around growth and we've always shown our commitment to it. The last thing that we did was this merger, which was at way below the market price. So that's our commitment. We are fully vested and vested more than anybody else in the growth of this. We are a young team and that's the only intent is to grow the revenue, grow the top line and everything else will fall in place.
- Rakesh Arora:** And Mohammed is asking whether we'll do Con-call every quarter.
- Prerak Parikh:** I don't know if that's for me to answer but yeah sure.
- Rakesh Arora:** You'll get an update every quarter, Mohammad I can say that to you. We'll try to do conference call at least half yearly if not every quarter. Thank you everyone. I'll just stop the recording.