

Cigniti Technologies Limited

Q2 FY24 Earnings Conference Call

November 6, 2023

Moderator:

Ladies and gentlemen, Good Day and Welcome to the Investor Call of Cigniti Technologies Limited to discuss the Q2 & H1 FY24 results. Today we have with us from the management, Mr. Srikanth Chakkilam, Chief Executive Officer, Mr. Krishnan Venkatachary, Chief Financial Officer, Mr. Vinay Rawat, Chief Revenue Officer, Mr. Raghuram Krovvidy, Chief Delivery Officer Mr. Sairamprabhu Vedam, Chief Marketing Officer and Mr. Veera Reddy Patlolla – Global Head of HR

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. I now hand the conference over to Smit Shah from Adfactors PR. Thank you and over to you sir.

Smit Shah:

Good evening, everyone. Before the call, we would like to point out that certain statements made in today’s call may be forward looking in nature and the disclaimer to this effect has been included in the earnings presentation shared with you earlier. The investor call may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the company which are expressed in good faith and in their opinion reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the company or industry results to differ materially from the results financial condition, performance or achievements expressed or implied by such forward-looking statement.

The risks and uncertainties relating to these statements include but are not limited to risks and risks of expansion plans, benefits from fluctuations in our earnings, our ability to manage growth and implement strategies, competition in our business, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals and our ability to win new contracts, changes in technology, availability of financing, our ability to successfully compete and integrate our expansion plans, liabilities, political instability and general economic conditions affecting our industry. Unless otherwise indicated, the information’s contained herein is preliminary indicative and is based on the management information, current plans and estimates. With this I now hand the conference over to Mr. Srikanth Chakkilam for the opening remarks. Thank you and over to you sir.

Srikanth Chakkilam:

Thank you. Good evening, everyone and thank you for joining us for Cigniti’s second quarter earnings call. I'm pleased to report on the company's performance for the second quarter.

I'll begin with some key highlights. In Q2 the company achieved a revenue growth of about 2.8%, which reflects our continued efforts to drive sustainable growth in our dynamic and competitive market. We also like to report that our EBITDA margins have moved to about 14.3%, underscoring our commitment to financial, operational efficiency and disciplined execution. Also, I'm delighted to share that the board has declared an interim dividend of Rs. 3 per share, demonstrating our commitment to returning value to our shareholders. This is a testament to our financial stability and also our confidence in the trajectory of our business.

On the business front, Cigniti continues to make good progress on the digital engineering side. We've added about 9 new accounts this quarter and successfully proliferated into several key accounts, which is a testament to our differentiated capabilities and also the trust clients place has to deliver. Our dedication to staying ahead of technology advancements is evident in our ability to secure and deliver on two significant deals with potential to expand, this is in the banking space in the US and also a retail account in the UK. These wins demonstrate our deep expertise and also our ability to solve complex challenges for our clients.

We anticipate that the growth from these views will start to reflect in the upcoming quarters to further strengthen our revenues streams and on the business outlook, we generally continue to be cautiously optimistic. But we also acknowledge that there is a slight amount of increased spending in the technology sector, which could be viewed as a leading indicator for other verticals to follow, while Cigniti's tech exposure is relatively low compared to other sectors, we see this as a trend for overall positive sign for industry health and also potential future opportunity for us.

We will continue to adapt to market dynamics, see new opportunities and provide value to our clients, employees and shareholders. We remain committed to our strategy of going beyond our traditional business and continue to remain committed to the strategy of diversification. And investing in digital engineering while maintaining operational efficiency. Thank you for the ongoing support and we look forward to updating our progress in the upcoming quarters. With this I hand it over to Mr Krishnan to go about the specifics of some of the financial.

Krishnan Venkatachary:

Very good evening to the Members who have been logged into the call. And it's been a perhaps announced earlier that the Q1, Q2 will be a steady quarter with a lot of headwinds coming through. Basically, while we did with about 53.5 million in Q1, the Q2 we have done a modest growth at about 2.2% in dollar terms at about 54.7 million and 2.8% in rupee term to Rs. 452 crores approximately while the EBITDA is given a margin, I'll jump at about 0.2%. There has been some taxation effect and reduction in other income which has made our PAT at about 10.1% as it stands for the Q1 and Q2, it's gone in anticipated lines and we see good traction in terms of the order book, the nine wins which have come in close to about 6 million dollar. I mean speak significantly in terms of where we are proceeding in what lines and the sectors continue to contribute basically is retail and commerce leading the pack and lead retail, BFSI, transport and healthcare contribute about close to 80% of the contribution.

So that there has been some slackening on the receivables which we have trying to push around. Which has probably impacted a little bit on the cash flow. However, the utilisation has gone up to its peak at about 82% and we expect the gross utilisation at about 84%, including on sale. So put together the resource mix for between on site and offshore has been at the optimal level at about 79 and 21, and the top 20 accounts on the mining side, which is contributed from has moved up and worked with our strategy and the top 20 accounts have contributed about close to 54% of the revenue.

And there's been a continuous endeavour to track and monitor in terms of top 40-50 accounts and the one hurtling factor is that on the digital post while on the digital engineering side, we have done, our contribution has been at about close to 6%. But if you look at the digital assurance as a business coupled with the digital engineering, I think we have closed the on the total revenue, 72% is coming out from the digital side. So a complete shift on the digital side which is happening and the board has pleased to announce an interim dividend at about ₹3 per share which is unique of its kind in the current scenario.

We have got about close to Rs. 300 crore plus in the investments in cash and cash equivalents and earning a handsome return and our CapEx has always been minimal and low and need based and we shall continue to monitor the position accordingly and the order book as it stands basically for a trailing 12 months, effective October stands at about close to 176 million and we have a lot of renewals coming through in the month of December and we are optimistic that we should be able to pull it through at least to 95% by 97% of the renewals. As we have not heard till now in terms of any pushback.

So overall, I think while the cautious watch and the headwinds have come through, we are seeing as mentioned that we are seeing the tech spending is has started commencing. But however the effect of it sell probably we seen probably in the quarter Jan to March and we continue to be cautiously optimistic and with this note, I invite Vinay to give a market commentary on the business over to you Vinay.

Vinay Rawat:

Good afternoon everyone. Once again, I think as far as the revenue and margin and order book is concerned, Krishnan gave the commentary. I just would like to mention that we continue to execute well and capitalise on the demand environment, especially when the customers actually were leaning into productivity and cost initiatives, most of our customers that we continue to show their trust and confidence in us. At the same time we actually were formidable in holding on to our positions in our customer places. In fact we consolidated our position in certain new accounts where relatively speaking larger deals actually got capitalised and these certainly will help us in the coming quarters. I think most of the financial parameters have already been spoken, so I look forward to the question and answers, for now headed over back to Krishnan.

Krishnan Venkatachary:

Thanks, Vinay and I will now invite Raghu, Chief Delivery Officer to talk about the technology offering and the customer management over to you Raghu.

Raghu Krowvidy:

This quarter has been great also in terms of delivery front, for example we have the highest customer satisfaction ratings in the history of Cigniti thus far. So we

continue to better at serving our clients and measuring on what value we deliver. We also got some industry certifications specifically to domains related to for example, like automotive industry, we got our TSAC certification, we also got our CMM Level 3 certification done, so therefore getting some industry endorsement for the capabilities that we have built in operational excellence you already heard Krishnan and Srikanth speaking about the improvement in the EBITDA every time, the highest utilisation levels with which we are operating. We continue to make significant inroads in digital engineering with 9 logos added as Srikanth was mentioning and most of these were also in our existing clients, which shows our capability to expand in current accounts. We are continuously investing in Gen AI capabilities, launching centres of excellence in that area that will allow us to further foray into the digital engineering services and two large deals added into our kitty in this quarter based on our solutions and capabilities, again beating significantly large players in the marketplace. This tells the value that we are able to put into our solution to the table.

So overall it's been a great quarter and we look forward to continue to raise the bar in the subsequent quarters.

Krishnan Venkatachary:

Thank you, Raghu. For that update I now invite Sairam Vedam our Chief Marketing Officer to give his commentary on the marketing aspect.

Sairamprabhu Vedam:

So we have had a standard quarter on the brand and the recognition and the positioning for say one, we've got quoted again as the leader by Everest in specialist quality engineering services report and also as a strong performer with STAR rating for customer delivery excellence in the Everest report for next Gen QE.

On the digital engineering front that we've grown strength to strength. We've been ranked by ISG in different segments across the digital engineering as an emerging product challenger. Which is a testament for our recent pivot into digital engineering and Gartner's refresh report of application testing services have once again covered Cigniti and most importantly that's a big endorsement of our twin positioning of a quality first digital engineering with digital assurance and digital engineering.

On the vertical side retail CPG, life sciences, wealth banking and digital banking services across the analysts data, I think thanks to our delivery excellence, we've been noted with significant ratings. And before I close up, I'm also glad to let know that we've won the first ISG case study standout award for an AIML work that we did for one of our client. And last but not the least application modernization recognition from Forrester and Cigniti has been noted as the best Tech brand for 2023 by Economic Times Edge which is an all-round endorsement of the strides that Cigniti has been putting together.

And on the generative AI front, we are glad to let know that in the first ever report that HFS research published, we've been noted as a disruptor and that's the start of the journey to continue to watch, Raghu said in the world of generative AI, where we are also working upon and we've also partnered with Nascom, so Gen AI foundry to look at the innovation that we can bring in. So that's the update overall from the marketing and the brand positioning aspect, I'll hand it over to Krishan.

Krishnan Venkatachary: Yeah, thank you, Sir. And for the brief update on the marketing side and I invite Veera Reddy, our Global Head HR to comment on the manpower and the related aspects.

Veera Reddy: Hello everyone. Very warm welcome from HR point of view, Q2 have been very good lower attrition and high engagement levels. Our focus continues in the DVI space and learning and development this year, as part of it we have actually collaborated with universities and curated a programme to bridge the gap between industry and academia.

So we have successfully trained 55 resources from colleges in Hyderabad in automation testing space. The idea is to bridge the gap between what they learn and when they come to office, reduce the lead time to start the sort into the projects etc. So we want to invest as we move forward into that space and then increase the number next year. We are also expanding our office space to cater to the increase in people coming back to work as too.

We aim to bring more people back to office while we continue to support hybrid working as necessary without impacting day-to-day operations. So overall very optimistic with respect to how we are going to be with respect to people, Krishnan and engagement levels. And thank you very much for this opportunity back to Krishnan.

Krishnan Venkatachary: Thank you Veera. And I think now we'll we open the session for the question and answers with investors.

Moderator: Thank you very much. We'll now begin the question and answer session. The first question is from the line of Ravi Naredi from Naredi investment. Please go ahead.

Ravi Naredi: Mr Srikanth and Mr Krishnan. I draw attention of resignation of MD, Mr CV Subramanyam never saw things where MD resigned with immediate effect. So what will you want to tell?

Management: He has stepped down for personal reasons.

Ravi Naredi: But it is a diplomatic answer, I understand, but never saw any MD resigned personal reason with immediate effect. So what is the thing would you like to tell us?

Management: At this stage you can only gather that it is for personal reasons, Mr Ravi.

Ravi Naredi: Because you are escaping things and this is diplomatic answer, I'm not satisfied with your answer. Thank you.

Moderator: Thank you. The next question is from the line of Parth Kotak from Alpha Plus Capital. Please go ahead.

Parth Kotak: Hi, thanks for taking my question. I have two questions. One, if you could help me and give me some flavour on new client wins if I'm not wrong, last quarter you said that client wins were good but getting order executions from new clients was a bit of a challenge. Has that changed and probably some commentary on the same? And second question is your guidance on EBITDA per say, I think you've mentioned in your call that we are at an optimum mix of

onshore versus offshore. If there is further chance of increase in our EBITDA margins, that's all from my side thanks.

Krishnan Venkatachary:

Vinay, can you take down the first question and talk about the new clients and the execution challenges. Please go ahead then I can answer the EBITDA question.

Vinay Rawat:

So our new client acquisition in this particular quarter definitely actually has been better. We are, as Srikanth mention right in the beginning that I think we are seeing sort of green shoots at this point of time of demand. The demand environment which actually was existing earlier was predominantly driven by productivity and cost initiatives. I think there is a little bit of movement of course if you will that we saw. Nevertheless there were opportunities which actually we certainly came across where as I said earlier that relatively speaking, there were large deals, especially the two clients extra, which Srikanth referred. They were completely new client and the deals which actually we have struck with them are sort of sizable deals for us which actually will impact our new business for coming quarters.

So in a nutshell, I would say that the environment for new business for ourselves actually has become better now.

Krishnan Venkatachary:

So when it comes back to the EBITDA in terms of question, I think if you look at resource optimization is 1 area. The other area what we are trying to look at it is that while the resource optimization has been optimal, we are trying to look at in terms of the mix in terms of the kind of resources what we are trying to look at a pyramid correction which is the continuous process that is one thing.

And the second level of lever, what we are trying to look at it is that if you see the skewing in terms of offshore coming through where the margins will increase. And a third portion is that there is also there are accounts where we have started selling on the digital side which will start which has started yielding and will continue to yield more, if you see the full blown year, probably we'll start yielding margins more. So definitely with these three and few other cost economy factors so, we are optimistic that the next two quarters the EBITDA should move up the value chain.

Moderator:

The next question is from the line of Aditya Jawa from AK Capital. Please go ahead.

Aditya Jawa:

I have a couple of questions. One is related to the business speculation that the promoters want to exit. Can you throw some light there? And the second question is regarding one year I understand the outlook. Basically if I see last two to three years, we have hired the employee strength has gone significantly up, which gives us an indication that there is a good demand for our projects. What I wanted to understand from one to three years perspective, where do you see Cigniti going forward and how would be the growth potential? And where do you want to scale the revenues and the margins? These are my two questions.

Management:

So the first question. There's no discussions on promoters wanting to exist, so we deny that speculation and if there is any such activity, we will, it shall be informed to the related authorities and to be uniformly distributed to all the

shareholders. So we deny the speculation. The regarding second question, we don't provide guidance, but we have some internal benchmarks that we set for ourselves to continuously execute upon. So in general, we don't provide guidance.

Aditya Jawa: What would be the levers? Where are you? We guys focusing on some qualitative indicators. Can you just provide that what are the internal targets are trying it is not on the guidance, but what are your targets keeping in mind?

Management: So see, generally we've been known as a software quality assurance player. So we've pivoted to digital assurance. Our ambition is to significantly tilt our revenues towards digital engineering service. So with our 200 plus clients that we have today, we have immense opportunity to proliferate beyond digital assurance as a service offering and go to offerings such as data, AIML, cloud and so on. So, if you're able to execute upon this strategy, we are looking at significant amount of growth.

Aditya Jawa: So when you say digital engineering service, what kind of service can you explain here?

Management: So in our parlance, it is outside anything outside digital assurance. So we look at ER&D services, we look at data AIML cloud, so anything outside of digital assurance constitutes digital engineering in our terminal.

Aditya Jawa: Basically, IT consultancy projects, novel projects, not insurance assurance related. Basically not testing related will be development related, right? If my understanding is correct.

Management: Yes. I mean, at a very high.

Aditya Jawa: OK then, since the company basically is the specialised in quality assurance. Do we are having the right capability of employees to execute the development because that is a totally different volume right on the using the development, right?

Management: Yes, you're right. So we've started on this journey more than 18 months ago. In fact we've also done one acquisition. And we will continuously investing in areas beyond digital assurance. So that journey has started and in fact, if you've listened to the commentary we've talked about our new client wins and expansion into our existing clients outside of digital assurance.

Aditya Jawa: So that you How much of our revenue comes from digital engineering?

Management: The digital engineering portion is about 6% of the total revenue, which if you look at the first six months of 108 Million, 6% is digital engineering. And the digital assurance piece is put together digital assurance piece and engineering put together is about 72%.

Aditya Jawa: The rest comes from?

Management: Generic testing.

Aditya Jawa: OK. So where do you see this pie moving forward in the three years.

Management: Significantly though we don't quantify the numbers, but I think if you look at, let's take a 5 year view from here. On a five year view, we expect the entire digital services, which is including the digital engineering driving the growth at about close to 60% and the digital assurance all put together, we should be there at about close to 80%. So is the wishful thinking.

Moderator: The next question is from the line of Darshit from Robo Capital. Please go ahead.

Darshit: First of all, I just missed the order book quantity. What was the number?

Management: I have given for October to March as a combination for next 12 months. I have given it about 176 million.

Darshit: Alright. And am I get that you don't give any guidance as such but would it be, correct to assume that the past some time would have been an embodiment of what we're going to see in the future like some similar kind of growth?

Management: So if you look through the guidance, what we have talked not guidance, what we have talked in generic in March, basically we said that the headwinds are there and Q1, Q2 remains subdued over. We are optimistic on Q3 and Q4. So if you look at it on an apple to apple basis, if you look at it over the last two years in terms of what have been the growth and comparing to that current year I think that's not a wishful thinking for the current year. Because the year has been under consolidation both on the client side and also service provider side. However, we remain positive and buoyant for the current year in terms of doing a positive growth which could be a double digit growth. But I think over the next three years what is remains to be seen is the visibility looks good.

Moderator: Thank you. The next question is from the line of Praveen Sharma from Sharma Investment. Please go.

Praveen Sharma: I had a couple of questions. First is I wanted to understand how is Cigniti differentiating itself from competitors in the digital assurance and engineering services space and what investments are being made in R&D and innovation to maintain a competitive edge?

Management: So I'll probably take the first piece. So as I outlined, we have evolved from being a specialised testing services company to a niche provider of digital assurance as acknowledged by all of the industry analysts that I spoke about our differentiation comes in an integrated ability to be a quality first provider no. 1. Our IP led opportunity creation in sense of IP led platform led innovation where the two platforms that we have, notably something called Blue Swan, which is an intellectual property of Cigniti which also considerably adds to our domain led capabilities of testing applications of medium to extremely large complexity at enterprise level, which again I sort of reaffirmed with various analyst positioning that recognise that, backed by some of the labs that we invest and build out in our Hyderabad campus, plus the global array of the delivery competent workforce that we have, which again is a reflection of the recent leader positioning by Everest Research and Gartner's refresh as a pure play digital assurance player or notably the differentiators as far as our assurance capabilities are concerned and similarly are approach to digital engineering where we are again bringing a new approach called a quality first approach to

digital engineering backed by significant amount of work that is underway in increasing our capabilities whether it is in AI where it is in digital, whether it is in platformisation, whether it is in cloud is a work in process, or whether it is in data.

I think together that's a significantly called out differentiated approach which is also called out by IDC and ISG in the digital engineering quadrants. So that's our differentiated value position and also our Blue Swan platform and ZASTRA which is our new platform. Both have been one blue swan go Stevie's award for its low code innovation Zastra has been recently the finalist in the Granville Awards for Computer Vision. I think these are our emerging platform capabilities. Maybe I will request Raghu to see if there is anything else that he wants to add.

So coming back to the R&D in terms of spend, I think it's a continuous evaluation process, which is done by the Chief Delivery officer in consultation with the business and marketing clearly. Basically we have budgeted very clearly that it will be not exceeding 5% of the total revenue absorbing the during the year in which it is being spent, but I think these spends the budgeted are being monitored and spent on research basis to really get their the dollar return for the money spent very clearly.

Praveen Sharma:

And now to move a little bit over to the geographic side as well to understand the revenue breakdown, I believe North America and Canada contributed significantly to the revenue. So could you discuss the performance in these regions and any strategies for further expansion that is 1, and secondly, what initiatives are in place to increased company's presence in UK and Europe and the other world region.

Management:

I can give the quantification of the number and I will request Vinay to come in and talk about the business strategy. In terms of the North America and the European region in terms of the footprints, in terms of quantification of the numbers, I think this quarter contributed about close to 83.2% from the US and Canada region. And the UK, EU continues to contribute at about 8.5% and the rest of the world about 8.3%.

Vinay I invite you to talk about the strategy in terms of expanding the footprint, especially UK and the European region and the specific strategy on the US side.

Vinay:

So as far as our geographical study is concerned, as the largest outsourcing market actually continues to be in North America and this market is still is large enough for us to provide a very healthy organic growth continuously. We implemented a go to market strategy last year to actually increase our footprint in our existing accounts.

And we believe that we have a lot of headroom to grow within our existing clients, which actually exist into of course North America and North American markets. So we'll continue to invest into this market. We reported earlier that we actually have started near shore delivery centre in cost. The data and that proposition is very attractive to our customers, especially in North American geography where they want same time zone delivery capability. We do continue to deliver services from our Canadian delivery centre in Toronto.

So overall, I think this market is North American market continues to be heavyweight and will continue to drive our organic growth. Coming to the newer geography, we believe that I think remaining focused on certain markets actually will give us better return on investment. However, having said that, we may expand into Eastern European markets. And predominantly driven by the customers like our Costa Rica facility was driven by one of our anchor customers and we started offering that delivery centre capability to our other customers.

So, is something which actually we will do in European market, I think the markets which we continue to be present have significant headroom for growth and they continue to provide us enough market potential, where we believe that organic growth which we are targeting for ourselves will continue to come in.

So in nutshell, we will be little resistive in terms of opening new markets. However, we will consolidate our positioning into especially UK markets where we have sizable presence and Eastern European, which may be driven by the customers.

Moderator:

Thank you. Our next question is from the line of Sanjay and individual investor. Please go ahead.

Sanjay:

Hello, good evening Sir. During the last call, the conference call it was announced that optimistic because of the market conditions. So after this quarter are you seeing the things had changed or improved compared to last quarter? And when it was announced that the company will grow by around 14 to 16% by FY24 compared to 2023, so are we on track or are we seeing that because of the tailwinds or headwinds or things will change or improve and the third question is about the Q3. Are you seeing any impact of loans this time more than last year, or how the quarter looks like compared to the revenue will be higher than actually the Q2 guidance or at least better than Q2, Q3 be better than Q2.

Management:

Yeah, generalising will sum up all the questions into cohesive answer very clearly that sorry for repeating. I think we don't give any specific guidance, but I think we have already indicated very clearly with the kind of Clancy this year in terms of lot of events running through a double digit plus growth could be idealistic order of growth.

If you look at it for Q1 and Q2 comparing to the industry standards on average. I think we have delivered much better performance in the overall scheme of things. And what we expect, if you look at it for Q3 and Q4 also is that the order book specifies and from the current set of quarterly run rates, what we see basically is that we see a positivity across.

I don't think I'll be able to talk beyond that in terms of how the growth, how the things moves up. But I think when it comes to the question of business. I can categorically say that there is no denial from the client, no deferrals from the client or no price reductions from the client. These three are real positive measures, clearly.

So why we should not be able to achieve a better growth in the next two quarters, but I think we'll have to wait and see basically as we are moving up to as of today things look very positive for us and the as eluded in the commentary by Srikanth says that tech sector spending has commenced, the tech sector

spending, and then we expect this spending to really get into full blown proposition to really start falling on the lap of all the service providers probably from effective the calendar year beginning January.

So overall I think the summary is that while the cautious optimistic position is changing. And we are trying to be a bit more optimistic in terms of where we head over the next couple of quarters.

Moderator: Thank you. The next question is from the line of Siddharth Soni and individual investor. Please go ahead.

Siddharth: Yeah. Good evening and thank you for taking my question. So I guess it was mentioned in the opening remarks that BFSI retail, ecommerce, these were some of the sectors that contributed significantly to the revenue. So could there be some more colour provided on the performance and prospects of these particular sectors? And also just to follow up on that any particular plans to further deepen, I mean diversify into other industries to reduce the dependency on any particular sector?

Management: Good question. I think if you look through probably we are today the broad based in terms of providing services, our contribution from the respective contribution from each segment which I'm going to talk to you about four or five segments will give you clearly that where we are, how we are balanced?

While our retail and e-commerce, we do at about 23%, our BFSI contributes 22% and travel and transport, hospitality and entertainment at about 16% and health care at about 13%.

So I think we are widely spread in these four areas and specialists and we are trying to give a push on the energy and utility side to get us to the level where we are expecting that close to 70-75% of the business is focused on these 5 sectors and I think it's a clean approach and we've been working very well and we are penetrating deep and especially with the digital services running through in these clients and these clients are long standing clients and where we have expanding in the breadth and width.

So I think to answer your question is ours depends we have learned in the past in terms of post Corona that depending on a single sector heavily especially on the travel has made a space hardships and we have derisk and built our capabilities. And we have put it widely into these sectors clearly, which in inherently for our growth. I think these five sectors has gone the potential to really contribute more.

Siddharth: OK, fair enough. And just one last thing to follow up on the same lines. So I mean, which vertical do you think will perform likely better than compared to the current or last year in terms of contribution?

Management: As it stands, if you look through basically the retail and BFSI continue to contribute better. It all depends on the companies offering capabilities and the penetration basically while the entire industry talks about BFSI being on the downside, I think we have been specific and focal on specific what we call banking sector where we have started penetrating based on our offerings. So we

are confident of these two sectors contributing a bit more comparing to previous quarter.

Moderator: Thank you so much. As there are no further questions, I now hand the conference over to Mr Srikanth Chakkilam for closing comments.

Srikanth Chakkilam: Thank you. Thanks everyone again for joining in and it was a pleasure to give all the updates of the company's performance. We intend to do this again in the following quarters. Thank you and happy Diwali.

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

This Transcript has been slightly edited at few places for clarity and accuracy and may contain transcription errors. The Company or the sender takes no responsibility for such errors, although an effort has been made to ensure high level of accuracy.