

Date: April 30, 2026

To,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai- 400051
Maharashtra, India.

Scrip: FIDEL

SUB : Update - Link for Audio Recording of call with Investors and Analysts

Ref : Reg 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Dear Sir/Madam,

Pursuant to Reg 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the **Transcript of call with investors and/or analysts call held on Monday April 27th, 2026, at 4.00 p.m. IST** to discuss the Audited Financial Results for the quarter, half year and year ended 31st March 2026 is Attached herewith:

Request you to take this on your record.

Thanking you.

Yours faithfully,
For Fidel Softech Limited

Sneha Ratnaparkhi
Company Secretary
(A42657)



TRANSCRIPT

EARNINGS CALL Q4FY26



Monday
27th April 2026



4:00 PM

COMPANY MANAGEMENT

MR. SUNIL KULKARNI
FOUNDER & WHOLE TIME DIRECTOR

LET'S CONNECT ►

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Finportal: We'll start, sir.

Good day and welcome to Quarter 4 FY26 earnings call for Fidel Softech Limited. We appreciate your participation as we review the company's operational and financial performance for the quarter, as well as our strategic outlook moving forward.

Today's call aims to provide an update on the company's progress and address any questions from investors and stakeholders.

Please note that this call is being recorded, and some statements may be forward-looking based on the current assumptions. These statements are subject to risk, uncertainties, and actual results may differ. The company does not commit to update forward-looking statements unless as required by law.

We advise participants to consider these factors and refrain from relying solely on forward-looking information. Representing Fidel Softech Limited, today, we have Mr. Sunil Kulkarni, founder and Managing Director. I will now hand over the floor to the management team for their opening remarks.

Following their address, we will open the floor for Q&A session. Thank you, and over to you, sir.

Sunil Kulkarni: Namashkar, thanks a lot, Bhumika, really appreciate it. Good afternoon, everyone, and thanks for joining our FIDELS Q4 and FY26 earnings call.

It's a pleasure to connect with all of you, and I sincerely appreciate your continued trust and support in our journey.

Today, I have with me, in this room, my colleagues, Mandar Inamdar, who's our CFO, our advisor, Mr. Anil Patwardhan, our finance controller, Jayant, C.S. Sneha, and our MD, Prachi Kulkarni.

I'll start with, many of you already know about Fidel, but I'll just start with a brief on that. Fidel SoftTech, we are an IT solutions and services firm with the ability to deliver last mile in local languages. Our core lines of business are IT consulting services, language localization services, Japan-India Consulting Services, and a new unit that we have started, which is High Tech Solutions and Services.

Over the last few years, we have strengthened our portfolio of services, of solutions, such as Spoggle.ai, which is into data analytics, Lingvify - language localization, fixed testing and simulation.

We have also strengthened our services deliveries, where we are known as a leading org in language delivery and complex language engineering solutions or bilingual managed infrastructure support services and recently around Japan-India Consulting Services. So, over the years, we have built these solutions, or owned our services.

Over the last 4 years, we have transformed Fidel from a 25 crore company into a 100 crore enterprise, from a 6 crore per quarter to now 36 crore approximately per quarter. What is equally important is that this growth has not been sporadic, it has been consistent, disciplined, and sustained over 16 consecutive quarters of growth. Of course, while we work, it's God's grace and support.

Today, we will now share our financial performance, key business developments, and our cautious but optimistic outlook for the future. I'll start with the Q4 results, coming to Q4, this has been a breakout

quarter for Fidel. Revenue grew to 37.27 crore, up 47% quarter-on-quarter, and 155% year-on-year. On a year-on-year basis, we have moved from 14.6 crore to now 37.27 crore and on a quarter on quarter basis, we moved from 25.29 CR to 37.27 CR. EBITDA grew 23.18% from 4.75 CR to 5.85 CR. And PAT increased 32% QoQ from 4.5 CR to 5.37 CR.

Let me share the full year performance. For FY26, we reported a revenue of 102.35 CR, a strong 85% year-on-year growth. EBIT of 19.29 CR, up 52%. Profit before tax of 18.31 CR, up 46%. Profit after tax of 14.05 CR, growing 50%, and EPS at 10.02, also up 47%.

This performance reflects not just skill, but quality of earnings and operational discipline. This is our 16th quarter, where we continue to better ourselves from last quarter and from a year-on-year basis.

While percentages are good, when we look at absolute term, just 16 quarters back, we were generating around 4 cr. in yearly PAT, and now we are generating around 14 CR in yearly PAT. This allows us to invest more in different initiatives.

A key aspect to highlight is our balanced revenue mix. APEC brings in around 55%, US around 27%, and EMEA 18%. 70% of our revenues come from ID consulting services, while 30% come from language localization business. Over the period when we look at our revenue breakup and margins, 53% of the revenue that comes from, especially from the US and Japan, where we are currently in a scale-up phase, is around single-digit margins, while the remaining 47% delivers strong double-digit margins forming our profitability backbone.

This positions us well for future margin expansion, as our international business will mature. We are seeing high growth with controlled margin moderation, which we believe is our current focus, and also a healthy sign in a scaling up business. I also would like to touch upon our cash flow and financial discipline.

Our growth is backed by strong financial discipline. We continue to maintain a healthy cash flow position, ensuring adequate liquidity for operations, capacity to invest in growth opportunities, and stability in uncertain macro conditions. Our cash reserves have gone up to 32.5 CR from the opening position of Rs. 30 CR. increasing the same up by around approximately 2 CR after utilization of almost 6 CR towards payout from our internal accruals for the deals. So, around total of 8 CR of positive cash was generated this year.

We have also taken a measured and strategic approach to capital allocation. Debt has been used only as a growth enabler, primarily, especially for acquisitions. Our borrowings are low-cost, around 2 to 3.5% JPY loans. Long tenure, 5 to 8 years, and naturally hedged through our Japan revenues.

Importantly, we have achieved this growth without equity dilution, ensuring value creation for our existing shareholders. We also remain committed to our shareholders. We have maintained a consistent dividend payout since listing. A dividend for FY26 has been recommended by the board, subject to shareholder approval at the AGM. While we continue to give this dividend, we also see that we are deploying the remaining into R&D and new business initiatives.

This also reflects our confidence in cash flows and long-term sustainability. As we scale, we are equally focused on strengthening business controls and governance frameworks. Investing in talent, advisory for some key areas, delivery capabilities and systems. Ensuring scalable and sustainable growth.

Our approach is simple. Grow fast, but grow responsibly. While every time we are growing, we also try to ensure that we are at least sustaining the basic current levels.

This year, we saw some good opportunities. We saw increased demand from our own existing customers in Japan and US, as they now know that we have an on-site facility to deliver as well. We saw some traction in IT services, as well as language localization services.

We had acquisitions in Japan and US. We delivered the railway localization project, some anime-related project, where the Japan teams were equally, surprised with the quality and the overall delivery. Earlier, the anime project was delivered from offshore, but in Q3 and Q4, the client preferred an on-site, Japan-based engagement.

We also delivered some integration projects for a global solution firm, and implemented their solution for a leading e-commerce firm in India. We also landed with a 100 million JPY managed services business in Japan. Where the full effect will be seen in the next fiscal year. For this RFP, we were pitted against top-tier system integrator firms.

We also delivered fixed connectivity. Fixed is a kind of protocol in capital markets. Fixed connectivity and testing-related training and services to Baku, which is an Azerbaijan exchange, and we got some good appreciation from their team. We also developed some AI productivity tools and new version of our fixed connective testing solution, which we are now taking to the clients. We see this as our IP.

Based on our current momentum and pipeline visibility, we have planned up an internal slogan of 5X in 5 years. When we started around 4 years back, we had, coined this slogan for ourselves, 5X in 5 years, and almost we have done 4X in now 4 years. Now, again, as a season 2, we have started, we are saying, again, 5X in 5 years, while, targeting double-digit PAT margins.

While 5X in 5 years is a long, kind of a duration, our midterm vision is achieve 300 crore in 3 to 3.5 years. Margins are expected to improve steadily with scale and operating leverage.

We are also seeing some mid-sized deals where, like, recently we tied up with a leading OTT player in India, and providing multilingual localization services to them around subtitling. This includes automating using AI, as well as developing some proprietary tools. Besides this, we see AI-enabled services, small POCs, and contacts coming our way.

We also have partnered with tech solutions partners like Rhythm Flow, Himitsi Labs, in AI or banking space, in data analytics, and in ERP. We continuously explored opportunities.

We have also set up a small division to focus on digital transformation around SME manufacturing. These days, when we are battling the perception battle around AI, and see growth in manufacturing, many of these SME manufacturers, more than smart or anything, they want manufacturing to be visible, data to be visible, and there we are focusing. We are also looking at R&D areas, which will connect us to future revenues.

We have strengthened our presence in US and Japan, and see opportunities to cross-sell.

One of our clients, NTD Communications in Japan, referred us to their office in US, and for those requirements, now Techvine is supporting them from the US geography, showing a good opportunity to

cross-sell. Our Japan business remains a niche strength, with high entry barriers and strong differentiation. This gives us some unique position compared to peers. That said, we remain mindful that geopolitical factors may influence near-term outcome, and we continue to monitor them.

Before I conclude, I want to also touch upon some few topics. An important theme is artificial intelligence. There is a broader perception that AI could potentially reduce demand for traditional IT services. However, based on what we are seeing on ground, especially in Japan, we believe that reality is quite the opposite. Japanese companies are currently in an exploratory phase when it comes to AI. Their approach is very structured, and they prefer to first experiment with AI through pilot programs, understand its impact in their specific business context, and then only move towards full-scale implementation and investments. This approach is especially working in our favor.

We are increasingly being asked to support AI-led proof-of-concepts and pilot projects, provide consulting and language localization support around AI adoption, and enable integration of AI into existing workflows. What this means for us is AI is not reducing demand, it is expanding our scope of services. So, we see AI as a multiplier for our capabilities, and enabler for next phase of growth.

We also want to, preempt some questions. If you have seen, we have put a FAQ on our website as well, in the investors section, where we continue to update about our thoughts, our approach, our business, so that you get a peak or idea about how we run our business, and so on. So, we want to preempt some of these points.

Where, let me briefly also address the, some of you which, might see as a decline in standalone India revenues. So for us, this is not a demand issue, but more of a structural shift following our Japan and US acquisition, where some clients have moved onsite, or prefer giving on-site work.

Overall, for us, the demand from existing customers remains strong, as reflected in our 85% consolidated growth. And we have expanded our valid share with them.

This is a transition for us to a hybrid delivery model, like on-site offshore, and strengthening our global capability. And over time, we're also going to see that Offshore will scale up and supporting growth, as well as margin expansion. Our anime project, our entity-related project, another leading portal project, which we were doing offshore, are now being supported on-site, based on client requirements.

From our perspective, instead of approaching a customer with what we have, we prefer what they want, or what are their pain points, and then addressing those.

We also want to address a point about our M&A approach, which we see as disciplined and strategy-led, not driven by revenue alone. We focus on a few factors, such as capability, something that will enhance our capability or competency, market access, clients, and talent, ensuring that there is a strategic fit with the acquisition.

For instance, Techvine added upstream consulting strength, whereas we were always into downstream, say, implementation, or coding, or development, whereas they brought in the upstream, this thing. IM was our own client. They brought local presence and talent in Japan with access to 40-plus clients. These are great clients from our perspective.

These are platform-building moves for us that enhance our ability to deliver end-to-end solutions and scale globally. We will continue to pursue such strategic opportunities with a clear focus on long-term value creation. All these steps will help us to scale in our next phase of growth.

Over the last four years, we have evolved from a small SME into a global relevant technology services company with presence in India, US, Japan.

Basically, when we look at just the numbers, that gives us a story, but as a company, we have changed in these four years. We are now recognized as a leader in language localization and engineering, with a unique on-ground delivery strength in Japan.

Our deal sizes and client profile have significantly matured, supported by expanded capabilities in areas like AI, data analytics, BFSI, and managed services. At the same time, we have strengthened our leadership, governance, sales engine, while building new growth verticals. Earlier, just showing our financials or reporting would take almost 2 months or one and a half months for us. Now, within first three to four weeks, we are taking our results to our investors and the market.

So, overall, we have not just grown financially, but in process to build a strong, scalable foundation for long-term growth, and cautiously optimistic about the future. To summarize, we have delivered strong, consistent, and scalable growth, maintained financial discipline and shareholder returns. Built a globally diversified and resilient business model.

At the start of the year, we had mentioned that we will strive for double-digit EPS to grow the company at 30-40% rate, to maintain profitability and profitable growth, or positive cash flows to be on the list of dividend-giving companies and I'm happy to share that we were able to deliver or work on most of these parameters outlined by us beginning of the year.

Could we have done better? Of course. There is always scope for improvement. That said, for us, these numbers are milestones in a long journey, where we continue to learn and implement. We still have to work on areas like automation, further sharpen our focus on business units and capabilities, hiring to suit our growth ambition, develop new competencies, better communicate our activities to investors and stakeholders and contribute to the community and nation at large.

All this wouldn't have been possible without the backing and support of our team. I'm thankful to our entire team members, our past alumni, clients, partners, freelancers, shareholders, our well-wishers, who have helped us reach here.

We are also thankful to government authorities, auditors, for support, and continuously guiding us. We are confident about the future and remain committed to creating long-term value for our stakeholders.

Thank you once again for your continued trust. I will now open the floor for questions. Thanks a lot, yeah.

Finportal: Thank you so much, sir, for the insightful introduction and detailed outlook about the company. We would now like to move on to the Q&A session. Participants who wish to ask a question are kindly requested to raise their hand.

To ensure we accommodate as many queries as possible, we request each participant to limit themselves to 3 questions at a time before rejoining the queue if needed.

Finportal: Raghav sir, you can go ahead with your question.

Raghav Maheswari: Yeah, hi, am I audible?

Sunil Kulkarni: Yeah, yeah, yes, you're audible. Thanks a lot, really appreciate it, yeah.

Raghav Maheswari: Yeah, hi sir, thank you for the opportunity, and congratulations on a good set of numbers. So, I wanted your commentary upon margins, and any forward guidance you'd like to give for the coming year. And also, sir, I had a question on AI, but I'll come to that in the later...

Sunil Kulkarni: Okay. From a guidance perspective, we have always, kind of not given any direct guidance as such. Like, as I mentioned, we are looking at a 5-year thing. What we are always trying is to maintain whatever we are currently doing. At least... so, idea is 1st, let's sustain whatever we are doing now, and then try to build over that. So, currently, let's say we did around 37 CR. of, top line this year. So, our idea is that, can we maintain that? So, from, let's say, 35 to 40 CR also, we are able to maintain minimum this. So, comes to around, say, 140 CR. per annum, to 160 CR, even if we just maintain this and slightly grow. And, of course, we want to grow faster and all that, but given all... so, this is the kind of what we are looking at.

Of course, as I mentioned, our, 5X plan, which means 100 to 500 CR journey. Where we see at least we'll shoot for 300, in 3 to 3.5. Of course, if it takes four years, we'll not jump from the window as such, but we'll... we want to see how we can expedite, how we can do this.

From a margin perspective, as I had mentioned in last few calls as well, earlier what used to happen is we were trying to maintain both growth as well as the margins, and that started confusing our team members as well.

So what we said is, first, at least in absolute terms when we look, 20% margin of 50 crore business versus even, let's say, 10-12% margin of a 500 crore or 300 crore business. What is better? And from that perspective, we took a slight shift or deviation in our mindset, and started growing more faster. That said, we always want to be at least making, like, profitable money or cash flow.

While we are, adding business in Japan, or in US, or domestic also in India, what we are seeing is every region, every business has a different or new clients coming at a different, profitability, and so on. So, we want to maintain healthy margins, but whether we'll be able to maintain 14%, 15%, or 13% is something that, to be honest, I'll not be able to say much. At least we want to maintain... and again, when it comes to quarter level, it might differ, but at a yearly level, at least we want to maintain what we are seeing today, yeah. I hope... I mean, it might not be a direct answer, but yeah.

Raghav Maheswari: Yeah, sir, I got it, sir. And sir, my next question was around the employee addition, as I saw in the PPT as well. And, so at the same point of time, we are seeing that, you know, efficiency or output per employee is growing because of AI. And, in fact, we also saw some AI services adding revenues in your business. Somewhere around 3 cr., if I'm not wrong. Yeah. Sir, what kind of those services are you providing when it comes to AI? And also, why, like, what is the trend of this employee addition that you are seeing at your organization because of this whole AI thing?

Sunil Kulkarni: Correct. No, so there are two, three aspects here, again. So, there is especially during this quarter, we don't see any much correlation between these 60 or whatever, 40 people added in this year and so on. Because there's a lot of experimentation or things that we are doing at our end, like tool development, this, that. So, there is some here and there. But mainly. What we see is, currently what, projects or clients are asking is, we have this certain process. Currently, we are doing with, like, so many people, like in Japan, what is happening is they don't have people at all, meaning, meaning. So there is... many of them have projects, but they don't... they are not able to, deploy it or implement it because of lack of people.

So, there they are saying is, can we automate a certain project and this thing? So, earlier, like, a few years back, they would do it, RPA and this. Now, they are saying, can we deploy your AI? Can we... but then they don't want to deploy directly on production or anything. Can we take a certain process? So, where we are doing a, let's say, a POC.

For a US client, they have 16 applications, a lot of codebase. And now they want to take it global. But they want to look into the code base now, and see whether the code is localized, or internationalized, where are the bugs? So now, leveraging AI, we have created certain, tools or solutions for them, whereby we have automated a certain way, and now this entire year, we'll be looking at each codebase, looking at, and fine-tune it, or go further for this. So... There is a case where the customer had a limited budget, and we had to deploy an application. So earlier, we would have, let's say, quoted, say, 10 man months. And we would need, let's say, literally 3-4 months to deploy it. Now, even if we have quoted 10 man months, but we were able to deploy it in, let's say, 12 weeks, for example, or a more faster way. So, we are seeing some such experimentation from our clients, not a complete full-fledged ki humko pura change karke cloud dalna hai. And then, we have... we are developing certain tools, certain new things, for which we are hiring. So, some of them might not be directly billable on a project or something, but

We continue to hire. Lastly, we also see some pressure from friends and families, where the last two years, especially last two, three quarters. New grads and, one or two year experience, they're not getting jobs, so we get referred to some candidates where we are trying to hire them and see if we can deploy them on some pilot projects and so on, yeah.

Raghav Maheswari: Right, sir. Thank you, sir, those are my questions. All the best.

Finportal: Devya ma'am, you can go ahead with your question.

Divya Daga: Hello Sir.

Sunil Kulkarni: Namashkar, yeah.

Divya Daga: I have a couple of questions with me. First is on... related to borrowings. So, as we already have 21 crores of current investments with us, and it's in neutral funds, so can I know why do we have 43 crores of borrowing, and when we'll be able to repay it?

Sunil Kulkarni: Okay. So, Divya, you will see that during, this year. We have certain borrowings on the balance sheet. I think the borrowings have been basically in Japanese yen to take care of the consideration payment for two of the M&A deals. One is, in U.S, Techvine, and another is in, Japan, which is a Fidel tech KK, based out of Japan. These payouts have been around, the borrowing has been 6 plus 10, so around 16 crores, whereas the payouts have been around 22 crores for both the deals. And the

third acquisition which we have done, IM Corporation. As you know, the consideration payment was very low in that case, and they have certain long-term loan in the balance sheet, which we have taken over through this acquisition.

So that is the third component of the borrowing. The entire repayment schedule is over next 5 to 6 years, and the interest rate, since these are JPY loans, between 2% to 3.25%. Okay?

Divya Daga: Okay, sir. Can you also mention from whom do we, we have borrowed this amount?

Sunil Kulkarni: In Kotak. Our banker has been Kotak Bank, but there is a Japanese bank for IM Corporation, and the Indian bank is Kota Bank.

Divya Daga: Okay. My next question is, as we have trade receivables very high in this financial year. Can I know the reason behind it?

Sunil Kulkarni: What did you say? Trade receivables.

Divya Daga: Yes.

Sunil Kulkarni: So, trade receivables are around, I think 27Cr. have moved from 16 crores last year to, say, 26 crores this year, correct? That is the.

Divya Daga: Yes. I'm gonna know the reason behind it.

Sunil Kulkarni: If you see, the last quarter's revenues itself have been 37.27 crores, so naturally, the receivables also have gone up during the quarter four.

Divya Daga: Okay, so it's natural. Yes.

Sunil Kulkarni: Yes.

Divya Daga: My next question is, as we have non-current investment of 16 crores, so can you classify it.

Sunil Kulkarni: Your voice is a little low. Can you be a little louder? Non-current assets of 16 crores.

Divya Daga: As we already have, non-current investments of 16 crores, can you classify it?

Sunil Kulkarni: So this is, again, coming out of the same deal, which is done in Japan, and Yeah, so with... this is, again, with IM Corporation that we have taken over, their business, and so this, non-current investment is also part of that which we have taken over, and over the period of next 2 to 3 years now, we'll see how we can manage that.

Divya Daga: Okay.

Sunil Kulkarni: These are all part... basically, on Jan 6th, we took over this company, and now we are in the process of integrating their finance team, our teams, delivery teams, and then so on, yeah.

Divya Daga: Okay, okay, sir. My last question is, as we have given plan of 300 crores of revenue in next 3 to 3.5 years, can you give me the guidelines which you are looking forward for it? And how will you be able to...

Sunil Kulkarni: We are to give you guidelines year-wise, as Sunil said right in the beginning comments, that we are not in the process of giving guidance as such, but we have been talking about our vision, and how do we want to sort of travel on that path. Since we started with our journey with 25 crores annual revenues, we reached 100 crore mark within the span of 4 years. Something similar we want to do over next 5 years, and therefore, we have decided two milestones. One is, within 3.5 we would like to adopt 3X revenues. And then 5X revenues over 5 years. So naturally, he also indicated, to you that our last quarter revenue is 37.27 crore. So if we assume that it is 40 crores around rate, then we should be anywhere between 140 to 150 CR.

That is the... I mean, if we hold on to current revenues and then drive certain growth, these are the numbers we can look at, correct? As an outlook, but there is no guidance as such. I also want to add to it, so when we started, again, we said that we'll chase 5X, which means around, say, 35-40% growth year-on-year. But then what we realized with our current team that time, not everybody was geared. So if you look at our first two years. We grew a bit slowly, 25%, 25%, 7%. By the time teams started picking up, then we gave a target to internal teams that, when we say 35-40%, suddenly it looks like a big number. But we said, like, can we do at least 7% to 8% or 10% growth quarter on quarter? So we tried to break that thing. So now, we see that at least the team has understood this will. We also want to tell ourselves that many times it's beginner's luck. Can we do it? And so on. But, so, we want to go in that direction. We believe that, so far, we can, we have done, and, if we can reproduce that. So, of course.

There are so many uncertainties happening around, and... but we see AI as an enabler. We have the Japan market actually, really not explored that much and then Japanese companies taking interest in India, trying to set up small GCCs for them. So, there's a lot of things happening, but, as you know, Japan is, like, slow sales market. So, many of these OTT opportunities, or what we said today, we have been working for one, one and a half years with them on different POC tools creation, and during those quarters, we were not able to show immediate margins or profits, but now that has translated over the year. So, yeah, just to answer, we might not have immediate, exact answer, but we know we are going in a certain direction, yeah.

Divya Daga: Okay, thanks so much, sir.

Sunil Kulkarni: Thank you, Divya.

Finportal: Participants, if you have any question, you can raise your hand.

Sunil Kulkarni: We've also uploaded the, the deck on the platform, so that it has more... whatever insights that I had mentioned. On our website, also, there's a FAQ forum where, we continuously update.

Finportal: Participants, if you have any questions, you can raise your hand or type them in the chat box.

Sunil Kulkarni: Numshkar, yeah.

Finportal: Akash, you can go ahead with your question.

Akash Chopra: Yeah, am I audible?

Sunil Kulkarni: Yeah, yeah, Namashkar.

Akash Chopra: Yeah, Namashkar, sir. Sir, any plans to, go on the main board?

Sunil Kulkarni: Yes, we of course, we want to theoretically, around a year back also, we were eligible, I mean, because we had just completed 3 years, but then last year, they changed the rules, etc. So, there are a few conditions, I think. One was 100 crore, and then there was a net worth 75 crore, and so on. So, we are trying to see that we first fit all these, and then, of course, we want to go on the main board.

Akash Chopra: But, any timeline, anything you're planning which you can share with us?

Sunil Kulkarni: Correct. So, ideally, we want to go on mainboard on this year itself, if possible, and... but then, again, as I said, there are one or two conditions that we still have to manage, but next two quarters, we'll see how we can try to manage those conditions, and then go on the mainboard. We see, of course, that also one as a milestone for us. For our shareholders as well, because then we go on the big, bigger canvas, yeah.

Akash Chopra: Great, sir. All the best.

Sunil Kulkarni: Thanks a lot, really appreciate it.

Finportal: Another question is, tax rate going forward.

Sunil Kulkarni: Tax rate?

Finportal: What is the tax rate that we expect going forward?

Sunil Kulkarni: No, I think effective tax rate will continue to be the same, because I don't think there is any opportunity for doing any, tax savings.

Finportal: Okay.

Sunil Kulkarni: Okay.

Finportal: What big opportunities does the company seize by leveraging the AI solutions?

Sunil Kulkarni: AI solution, what is the opportunity available to the company? So, we see, meaning there are various... in the language field, we still see clients asking us to develop tools for checking AI output, or develop multilingual LLMs and so on, like, as I mentioned. And on the IT side, right, from AI-assisted development for testing or, for, data-related, like, analytics or modeling. A lot of areas where we, we are seeing some queries coming up, so...And with base now in Japan as well in US. US, that way, is a more mature market but in Japan, everything is completely new, and there's an open field out there, so we see a lot of opportunities. Only thing is how we can convert that, or convert in the size that we want, meaning some... currently, the deals are very small, but if they turn out to be big. Then it will really add to the top line, yeah.

Finportal: Okay. Manisha, you can go ahead with your question.

Manish Kela: Thank you. First of all, congratulations on the good set of numbers, sir. Sir, pardon me for my ignorance here.

Sunil Kulkarni: None.

Manish Kela: I just wanted to understand as to how does this language localization work, so if you can give a couple of examples as to how does this model exactly work, especially for the Japanese clients that you handle.

Sunil Kulkarni: Yeah, so Motamota, when we say, we are localizing a software, an application, or a website, what we are saying is we are adapting, or for a certain locale, or a certain environment and so, when we say we want to take this software and take it to China or Japan, then we have to show the... not just the screen, but the calculations, the yen to dollar to JPY, tax rate. I mean, everything goes... changes in the software, for example. So, People see that just as a translation, but there is a lot of intricacies there.

Then there are areas where, let's say, when Amazon Alexa speaks in English. But I want Alexa to speak in, say, Telugu, or Marathi, or Hindi. Then we have to create datasets to train the AI engine of Alexa. Then, so companies would ask us to create datasets in Hindi. Then Hindi will be, Bambaya Hindi, Hyderabad Hindi, Lucknow Hindi. It has to understand all types of Hindi and so on. So, and then they will ask output in a certain format. So...

So this is one. Then, automotive, industry will have, again, like, cars would want to go without any, assistance or drivers. But then it has to think like a human being. When you see, it sees a rock or a speed breaker, it has to think. So then, image annotation in OTT, we see a lot of automation in subtitling and labeling, because South Indian movies are coming to North India, for example. Or, likewise, in Japan, anime is... they want to take it to global. So, in all this, in the anime, there is a, let's say, a balloon where the text is there. Then we have to write programs to extract it and, so earlier, a lot of programming was needed.

But now, leveraging AI, a lot of these things are possible. Like, earlier, we would have to have voiceover, we actually had to rent studios, but now synthetic voice using AI we can generate. But then some clients specifically ask because of certain reasons, regulatory or compliance, we want human interface only. So, here, a lot of play comes from linguistics side, meaning language side, and technology side. But to... so that's why we had coined ourselves as a langtech firm, but it started getting confusing, because... So, at heart, we are an... or by nature, we are a tech firm, like an IT services for technology firm.

But, when we say we have an ability to deliver in local languages. So, if you want to develop a trading platform, or salary slip application like HR, You can go to Infosys, or any big IT company, or anyone, for example, but the moment you say, we want salary slips in Marathi or Telgu, or bilingual, meaning dates slash dinang, for example, and so on, then such work people tend to give us, because we bring in the linguistic capability, as well as the the technical aspect. Now, when it comes to Japan, every delivery has to be in Japanese language. They'll not accept anything much or much in English, be it SAP implementation, be it Oracle, be it managed services. So, when I say managed services. The L1, L2, Level 1, Level 2 support, they want in Japanese. L3 can happen from India, from US, or anywhere. But the first layer has to come from Japan. Where we bring in our expertise, we will support everything in Japanese.

We also have some Japanese speaking in India as well, but then they prefer in that time zone, or locally there, and so on. So, language. And when we say Japan, in ASEAN, there is Bahasa, Tagalog, Thai. In India, and around, there is symbolis in Sri Lanka, Bangala in Bangladesh. So, there's a lot of language play comes in play.

And then in India also, we work with big portals, like e-commerce portals, where they need language support, and so on. So, meaning there is a perception that ERA is a translation, certainly, there's a lot of technology that goes behind and...Yeah, it could be speech, voice, NLP, natural language processing, or it could be related to AI or anything, yeah. But, again, we also do generic. We just want to develop an English-based trading platform. We'll support you. But then, you might say, then why come to Fidel? You'll go to bigger firms or better firms, and so on. But our niche comes from that perspective.

Finportal: Next question is from Adwait Joshi. Sir, any acquisitions in the pipeline this year?

Sunil Kulkarni: Again, there is, we always continue to tap opportunities. We know exactly where we are... like, so, for example, we are looking at certain competencies to build, or location-wise, today we are in Far East. Let's say in Japan and far south India. But today, if we get purchased to acquire in, say, Singapore or Hong Kong, then we were seen as an Asia-packed company from US or European company, client's perspective.

So we are continuously looking. As I mentioned, we are not in a rush. We want to see that they are either bringing us a new competency, new geography opportunity, new clients. For example, today, 70% of our business is through system integrators or something. 20-25% is direct customers. can we get to have... somebody has direct end customers as their clients, like banks, or, say, Disney, or something like that? So then, we would like to acquire such company, and so on. So, we continue to explore, but we'll see how it goes, yeah.

Finportal: Okay. Where do you see PAT margins 3 years from now?

Sunil Kulkarni: This is a bit difficult question not to say anything. As I said, we are... we always say that we want to maintain double-digit margins, meaning, can we get more? Of course, we want to. But I think the... on one side, we are seeing that compared to few years back, there is a more, requirement to invest in R&D or partner. It could be joint, like, let's say we do it in-house, or when do we set up a small unit where we do jointly by partnering to another company where we invest together, or then we invest in a startup or something like that. So, and all this will take direct or indirect hit on the margins.

But to even sustain every year now, going forward, there's a lot of changes happening, so we want to maintain healthy margins, but at the same time we want to see... focus more on the growth, more on the quality of clients that we are, more at these long-term, and then so on.

We want to create some jobs as well, meaning...Unless we support the communities and create... like, there... we have some impact of the Japan culture. In Japan, you don't restructure immediately. It's rather very difficult to let go of someone. And they are also kind of working for you with an idea that I'll work with this company for my life. So, we also have that bit, mindset, yeah.

Finportal: Okay sir.

Tanmay Mehta, sir, you can go ahead with your question.

Tanmay Mehta: Hello?

Sunil Kulkarni: Namashkar.

Tanmay Mehta: Yeah, you have a category listed on your website, high-tech solution, so how is it different from IT services and enterprise solutions?

Sunil Kulkarni: Correct. Meaning, again, at a base, everything is technology only, so then... but what we are seeing is... so when we are now, so recently, what, last two quarters, what we are doing is we are kind of visiting manufacturing firms. Some are using Siemens machines, some are using Taiwanese machines, and then so on. And where, what they are... they have unique problems, okay? When you say smart factory, digital factory, so that doesn't give us an error. But we have this explicit case where we want this data, if this gets data on a display, but then there is an interface of these machines.

There's some electronics, some IoT, bringing that data, relaying it to cloud, showing it on their mobile. So there's an interplay of different technologies and so on. It's not a simple ki humne kuch sikh liya or java me code kiya aur de diya. And that's where we thought. This brings a lot of different play. So, we could have named it Multitech, something. We said, let's have it high-tech, and so on. So, plus, we also see a lot of play happening around different technologies, when, like these days, somebody's doing drone. So, drone toh, hum log ekdum drone me nahi ja sakte. But drone is capturing a lot of images and now these images, when they are coming in. Can we build applications on top of that, deciphering what the image is, and so on? So we are, like, can we partner with this? This will involve high imaging resolution, again, cloud, AI, and different. And that's where these kind of solutions we have clubbed together and said that, can we put it under a unit of high-tech solutions? That's our idea, yeah.

Tanmay Mehta: Yeah, that was it from my side, thank you.

Sunil Kulkarni: No, thanks a lot.

Finportal: Do we have any other questions?

Finportal: Another from Adwait Joshi.

Adwait Joshi: Sir, as you said, that high-tech solutions, do we have any revenue as now, as of now, from that vertical?

Sunil Kulkarni: No, as of today, it's a direct revenue in a year, but we are working on these POCs, and this is just, like, last one or two quarters, we actually started talking, did a survey. Earlier in 2016, we had done some IoT project development, and we had built revenues close to, say, 50 lakh to 1 crore, kind of but then we were... that time, we thought of going into product development, and then we also were incurring losses.

Then we realized, keep us, unless you have first 2-3 customers, product development, and it's a big deal, meaning unless you have deep pockets, and so on. So, from then onwards, we are seeing that, let's first talk to a few things. Will they pay at least 5 lakh, 10 lakh, 2 lakh, 50,000, whatever, for any something, and can we then deliver in that price point, and so on.

So, as of today, we immediately but, like, Japan Consulting, when we started, Usmeb hi kuch Utna nahi tha, but we slowly trickle hora hai, there are companies coming up. And sometimes it helps us, we go with... I mean, when we went to these two manufacturing firms, they actually gave us CAD designs, which had come from them from Germany, and they're saying hamare log ye read nahi kar sakte, can you develop a program to extract this text from German to... and change it, and deploy again, get these drawings translated, basically. So, it is leading to some other language, localization, or IT business for us, but this high-tech is still yet to give us recognizable revenues, yeah.

Adwait Joshi: Okay, so thank you.

Finportal: Any other questions?

Sunil Kulkarni: Yeah, many of you might have not invested, or whatever, I'm not sure of this thing, but please do follow our company to look at us, give us pointers, any ideas, any competitors that you see in the market, or you tell us. It would be great to connect, and learn from you as well, yeah. And if you cannot, meaning if there are no questions today as well, feel free to reach out. Sneha is our CS, she'll be happy to answer any questions, or take it later as well, yeah.

Finportal: Okay, then sir, I think we have taken all the questions. I think there's one more question in the chat box.

There's one more question, sir. Which region do you see the high potential going forward?

Sunil Kulkarni: meaning for... if you ask me... if you say tomorrow there is business in Africa, I'll take flight, next flight to Africa and go there. Business? We want to welcome it. But what we are seeing is. We have now base in Japan, US, and India. India is also growing, so we are not leaving it untapped, so we regularly participate in, like, exhibitions or events here. We do some mailers. Like, last week, there was a event in Hyderabad, there was a pharma exhibition where we showcased our data modeling or data analytics solutions, language solutions, because that's also a very regulated area, and it needs some language support, and so on. Meaning, we are not suddenly trying to go in unknown regions, but some of these recent experiences that we have. So, for example, we get regular training requirements from, say, Nigeria or Azerbaijan Baku Exchange, actually, meaning it's not, like, a brokerage firm, or... it's an exchange asking us to... can we support? Last year, we had Bangladesh... two years back, rather, we had Bangladesh Exchange asking us to train their team in unfixed connectivity. So, we believe that these emerging markets have some requirements that we can deliver from here.

Japan market, because of our presence and Japanese language expertise, we can try to leverage that. We don't want to leave it, like, open. US market, now we have a presence out there, and it's one of the biggest tech markets, where we still have hardly started there. So we... at least these few areas we don't... or geographies we don't want to leave untapped. That said, we are continuously open for looking different geographies or markets, yeah.

Finportal: Okay. Manish, sir, you can go ahead with your question.

Manish Kela: Yeah, thanks, thanks for taking up, my question. So, sir, this revenue of 37 crores that we've achieved this quarter.

Manish Kela: Can that be minimum revenue that we can achieve, across, the four quarters in the new financial year? Is that the minimum revenue that we can expect?

Sunil Kulkarni: If you ask me, we want to maintain that and overachieve that. But that said. Abhi, it's a bit early, we just rather, we are so ecstatic about the fact that, as I mentioned, just before 4 years, we were doing 6 crores a quarter, and now we have, like, 6X of that. So, we want to maintain that, at least minimum this. So far, we have maintained typically, Q1 of the next fiscal year is a bit tough, because, again, you have raised the expectations, and you want to overgrow that Q4, and Q4 typically are good. And so on. But that said, we want to, at least maintain this and, and, grow work from there, yeah.

Just to add to what Sunil sir said just now. See, this 37.27 crore is a combination of organic and inorganic during the quarter. Naturally, we are taking away... handle on...the latest acquisition of IM Corporation, it will take a little time for us. Then we do have another acquisition done in US, so we are... we have got a reasonable handle there. But then, how do we drive the growth within these accounts while sustaining the current level of revenues? That is going to be the key.

And we are exactly working on that. So that's why there is no straight mathematical answer, but our intention is to sustain this level of revenue and growth.

Does that answer your question, Manish?

Hello?

Finportal: So, Manish, sir, you are on mute.

Sunil Kulkarni: I asked Manish whether it answers your question. Yeah, yeah, yeah.

Manish Kela: Thank you.

Sunil Kulkarni: Excellent, yeah. Thank you.

Finportal: Done, sir, I think we have taken all the questions. I would like to hand over to you for your closing remarks, and then I'll close the call.

Sunil Kulkarni: So, thanks a lot, for your time today, and as I mentioned, we see these as milestones. We... the journey's long. We expect you, or request you, to continue following us, to refer us to friends and families you know. When you see or feel confident about us, give us pointers, and we'll be open to look after any suggestions as well. And from our side, we'll continue to keep as much as communication as possible.

Once again, thanks a lot to Finportal as well, to your team, for arranging this. Thanks to all, yeah.

Finportal: Okay, thank you. On behalf of Finportal, I would like to express our gratitude to the management team of Fidel Softech for taking time to join us and provide such detailed responses to the question. We also appreciate all the participants for their engagement. If any question remains unanswered, please feel free to reach out to our email IDs given in the chat box. You may disconnect your lines now.

Thank you so much, sir.