



ALL E TECHNOLOGIES LIMITED

Q1 FY'26

POST EARNINGS CONFERENCE CALL

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Management Team

Dr. Ajay Mian - Managing Director
Mr. Rajiv Tyagi - Executive Director
Ms. Ritu Sood - Executive Director
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Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q1 FY '26 Post Earnings Conference Call of All E Technologies Limited. Today, on the call from the management, we have with us Dr. Ajay Mian, Managing Director; Mr. Rajiv Tyagi, Executive Director; Ms. Ritu Sood, Executive Director; Mr. Sandeep Jain, Chief Financial Officer; and Mr. Sandeep Salman, Head of Cloud and Managed Services.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to quickly run us through the presentation and the business and performance highlights for the quarter ended June 2025. The growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

Ajay Mian:

Thank you very much, Vinay. Good afternoon to everyone who has taken the time to join us today. We will keep our presentation short, which will give us more time for conversation. As usual, we will first go over the numbers. We'll talk about the story behind what's steady, and the annexures are for anyone to look at in detail. Some of you might have already seen this presentation because it was uploaded several hours ago. If you look at the numbers in Q1, we had a total revenue of ₹34.07 crores. The income from operations stood at ₹36.3 crores. EBITDA was ₹8.79 crores. Net profit was ₹6.32 crores. Net profit margin, 17.4%. This meant a Q-on-Q reduction in the top line of 5.2%, though on the Y-on-Y basis, it was an increase of 3.8%. Our repeat plus recurring, grew up this time to become 96.4%, and we added 11 customers.

That's the summary, but let's go into a little bit of detail. On a Y-on-Y basis, income grew by 3.8%. EBIT grew by 4.7%. EBITDA margin was 24.2%, which meant a growth of 4.4%. The net profit growth was 2.3%, and the reported net profit margin was 17.4%. These are the charts which show Q-on-Q and Y-on-Y numbers for EBITDA, the revenue EBITDA and PAT. I think the numbers have been there since yesterday.

And if you look at these numbers, it would appear that the momentum seems to have moderated this quarter. But in reality, perhaps the numbers do not reflect the underlying health of the business. Even though the broader market is clouded with uncertainties, our position as a specialised Microsoft business solutions and AI partner brings us a unique perspective and opportunities.

This quarter saw us seed AI solutions with several customers. We had two significant deal wins against SAP and a sizable deal win in Saudi Arabia. As you might have tracked, Microsoft's momentum has significantly strengthened over this period of time, and particularly in the areas of cloud, AI, and business applications, it is leading the competition.

What all of this means for us is that the fundamentals of the business stay strong. Businesses worldwide are facing a paradigm shift yet again, and this paradigm shift is now triggered by AI. Alletec helps customers navigate through the maze and modernise their businesses. As we discussed, the Microsoft stack adoption is strengthening and leading the competition. The comprehensiveness of the solution offering that we have continues to give us an edge.

And our business model of being direct to end customers and of having project-based engagements brings us strength because we do not have a dependency on a small number of large companies who might be looking to just outsource some work over to us. So, there's direct customer engagement, direct customer relationships, and all that is going on in the world of technology and business are the fundamental strengths that we are leveraging and will continue to leverage over the next several years.

If you look at this quarter, the primary revenue drivers have been that our UAE operation has gotten operationalised now. We have a person running that operation, and already a few leads that we are working on. We strengthened our Africa business with a new sales leader who has been showing good spark.

We just spoke of a sizable tender win that we had in Saudi Arabia for a large global services organisation after a tough fought win. It took us almost a year to get this. The traction in

America continues to strengthen. Our own investments are underway in AI skilling and IP development. We will talk a little bit more about this, and we are also significantly increasing our marketing investments.

There is a good amount of investment and effort that is going into AI transformation within the organisation. This includes strengthening AI capabilities through internal skilling. We have been investing in building several AI agents, and I will try to give you a view of one such example that we have been under PoC, and we have several agents under PoC with customers to drive automation, enhance decision-making, and deliver measurable business outcomes.

Modernisation of industry solutions is asking for investments, which we are making. We are embedding AI agents into our industry solutions, particularly the EPC 365, Travel 365, and the EdTech 365. We are working on AI adoption for our internal development and testing activities, which is enabling us to improve our cost.

We may have costs increasing on account of some lateral hiring, some salary increases, but we are trying to optimise that by including AI efficiencies into our processes. Maybe I'll give you a little view to one of the agents that we currently have under PoC. Raj, can I request you to please run the video?

Moderator:

Sure, sir.

[Video Presentation Starts] Meet the Machine Maintenance AI Advisor by Alletec, your machine troubleshooting Copilot agent. Let's understand what it does. The maintenance advisor is an intelligent Copilot agent designed to streamline industrial maintenance troubleshooting by helping organisations in predictive and breakdown maintenance. The benefits include proactive maintenance, faster troubleshooting, historical context awareness, smart knowledge aggregation, OEM contact access, automated communication, improved response time, and a centralised knowledge hub.

Let's take a look at how the maintenance advisor, powered by a Copilot agent, handles the real time machine issues using our smart automation. Here's an email that was just received by a shift engineer from our Maintenance Advisor system. First, we

see that an anomaly was detected in machine MAX001, specifically abnormal temperature spikes with values reaching up to 298.7°C. This is far above the safe threshold of 200°C.

The Copilot analysed this anomaly and instantly performed three critical tasks. It consulted the machine manual and listed out potential causes such as a stack relay, multi functioning thermostat, PID loop misconfiguration, and much more. It also suggested clear troubleshooting steps like calibrating the thermostat, checking pump filters, and testing relay logic with a multimeter. It didn't stop there. Using past work order data, it found a similar issue logged by technician Suresh Varma on 9th June 2025, where the thermostat sensor was replaced.

This gives the team context and avoids repeating work or wrong assumptions. Then it performed a live web search and provided URLs related to the same machine model, Frymaster Temp 600, giving you access to known resolutions and other user cases. It also included the manufacturer contact details in case further support is needed. Now we are inside Business Central, and here's the real magic.

Since Maintenance Advisor is integrated with Business Central, it has already created a work order in Business Central with ID 00026 based on this anomaly. Let's search for the work order generated for this anomaly.

This work order was automatically created by a Copilot agent based on the breakdown email. This means the technician doesn't need to investigate from scratch. Everything they need is pre-diagnosed, structured and sent over by mail. Now, I'll just quickly give you an overview of where the machine data is getting stored, and the anomaly is getting detected. This is the detection page where the data of all the machines are getting stored.

Once the anomaly is detected within this data, the anomaly flag is checked. So, what just happened? An anomaly was detected in real time. A work order was automatically created in Business Central. An email was generated with detailed diagnostics. Copilot read the mail, extracted the issue. All related data, past issues, manual references, tools, resolutions were linked to the record. All of this was done autonomously. With Maintenance Advisor, you don't just get alerts, you get intelligent actions

seamlessly integrated with Business Central or other solutions and apps, backed by Copilot agents.

This is the power of Maintenance Advisor, predictive, preventive, and proactive. It's not just maintenance, it's intelligent intervention. Thank you for watching, and welcome to the next generation of machine maintenance. [Video Presentation Ends]

Ajay Mian:

Thank you, Raj. I know the video was probably not that clearly visible to some because of the nuances of screen sharing, but the link is available in the presentation deck that has been uploaded. Anyone can click it if they are interested in watching what was going on.

Let me continue with the few remaining slides of the presentation. This video that you saw is an AI agent that we created from the toolset and technology stack of Microsoft. In a similar manner, we have created several other agents which are either specific to an activity or specific to an industry. And these are currently under PoC with a set of customers. The face of ERP is the way the solutions are built and the way the solutions will get consumed. Also, the way they will get implemented will change quickly over the next one to three years.

And we at Alletec are fully geared up for it. This not only requires people to understand the new product line, the new technology, and the new stack, it also requires them to understand the new way of implementing these solutions. We are taking steps to stay in a leadership position there, and we will see these things happening definitely by the end of this year.

If you look at the geographic spread from a services point of view, the Americas accounted for 58.9% of the revenue, India was at 24.4%, Europe at 5%, Africa at 4.8%, APAC excluding India was 3.6%, and the Middle East was 3.3%. And as we have just discussed, we have taken several steps to increase these numbers, and we will see that effect coming in within a couple of quarters.

As we mentioned, we added 11 customers. Four of these were domestic, and seven were international. The revenue from our

top five customers in this quarter was 22%, and from the top 10 was 32.3%. This is the breakup of revenue from different industries. Some industries have been broken down in the sense that food and beverages can be a part of manufacturing as well as a part of distribution, but we have called it out separately. So, professional services remain the highest, followed by manufacturing. And retail, as you see is taking a significant percentage now.

Our growth drivers stay consistently the same, except that besides our comprehensiveness of our offerings, the Microsoft momentum is now largely led by AI. So, that's the reason that I have written here now AI and the Microsoft momentum. The AI momentum is growing, and Microsoft is leading that race. The international focus stays. Our IP led solutions continue to find us more opportunities, and our focus on inorganic growth stays.

Very brief introduction for anyone who might be joining this call for the first time. Here's a brief of Alletec. I won't spend time on this, but most of the data about us is here. What we do and how long we have been doing it, how many customers we have is all filled in here. Our Board of Directors remains the same. Our lead management stays the same. These are the standard annexures, and something about our CSR. So, if you're okay, I can stop sharing?

Moderator: We'll move to the Q&A. Yeah, Raj, take the Q&A.

Question-and-Answer Session

Moderator: Those who wish to ask a question may raise their hand or put your request in the chat box, and we'll answer the question for you. I also request all participants to limit your questions to two before joining the queue again. We'll take the first question from Rohan Mehta. Rohan, you can unmute and ask.

Rohan Mehta: Thank you so much for the opportunity. A couple of questions. So, firstly, the revenue has remained flat at about ₹34 crores, ₹35 crores for the past four quarters. I wanted to understand, firstly, what is driving this stagnation? And, is the deal execution slowing down due to macro or client specific uncertainty? And while services as we see are currently excluded from Trump tariffs for now, has this also induced business transformation spends to be put on hold? Also, if you could share your outlook

on the U.S. market over the next few quarters given that the revenue share has come down sharply in Q1? That would be great.

Ajay Mian:

Sure. You see, I think in the U.S., nobody can predict the next few quarters given the current state that we have there. I think people can't even correctly predict the next week, what will happen to various tariffs and what will happen to the international relations, and so on. So, while the IT and services in particular are not impacted by tariff, businesses overall are. So many businesses are cautious in terms of committing to investments which are long-term.

We have had several situations where companies have been uncertain about. So, for example, if there's a manufacturing unit somewhere in the U.S. that is importing some stuff from China or India or any other country for their manufacturing, they don't really know what the landed cost will be. And some of these things are stabilising, becoming clearer favourable or otherwise, but they are becoming clearer. But over the last couple of quarters, this has been one impact.

There are other factors as well. This may not be the only factor. There have been overall macroeconomic situations. But if you go under that, we don't see any, I would say, real slowing down of demand. Some of the numbers that we see, all said and done, these are, like ₹1 crores, ₹2 crores here or there, kind of make the numbers look different from a percentage point of view. We have also been a little bit careful, I must admit that we don't want to load a lot of manpower on the organisation, because we are seeing that AI is changing the way that we work.

We may be a little bit cautious about it, but fundamentally, I think people are trying to adjust and they are trying to understand how, not just the global political and war situations are impacting businesses, but also how AI is impacting businesses. So, this is a point where many factors are at play. Very difficult to forecast what will happen when.

But one thing is for sure, there is no reduction in demand. It's just that people are more cautious and maybe taking a little bit more time before they decide what they need to do next.

Rohan Mehta: Okay.

Ajay Mian: By the way, if you look at the last quarter, we had a lesser number of customer adds, and we had called it out in the last quarter. This quarter became healthier, and some of this will reflect in the coming one, two quarters, three quarters. But that dip that we saw in customer adds is becoming better.

Rohan Mehta: Okay. And secondly, when it comes to the last quarter's EBITDA margins, were they temporarily higher due to a lower software license cost? And if so, where do you feel is a more sustainable margin profile going forward? And in terms of your FY '26 guidance, is there any revision to the 20% revenue growth, for FY '26 that you would like to make?

Ajay Mian: Sure. See, quarter four, actually comes in with a set of adjustments. Over the year, you may have provisioned for some expenses, and when the year ends, some of those expenses might actually not have been incurred. And so that is one factor. The other factor which comes in quarter four also is the Forex rate adjustments that happen. And all of these adjustments are put in quarter four. There might be some variations, and some of it could be on a deal-on-deal basis where license margins could have been different.

But fundamentally, there isn't anything I would say, which is extraordinary. I said the same thing, in the last quarter, although we had a substantially higher profit margin, I said that the most extraordinary thing is that everything has stayed ordinary, and we still have had larger profit margins. That's just the nature of the business and the nature of how some of these expenses are accounted for.

Well, the one little thing I would say, and I don't know how much weight is appropriate to put on that is we also had a little expense. We had our 25th Foundation Day this year, and so we had our annual celebration that had a little bit of expense. But we are not outrageous in making any such expenses fundamentally.

Rohan Mehta: Sure. Thank you so much. I'll get back in the queue for more questions.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the next question from Raghav Singh. Raghav, you can unmute and ask.

Raghav Singh: Hi. My question is related to the margin, which has come down as compared to the March quarter. So that's my first question. Then I have one more question.

Ajay Mian: I think the first question I just answered is that the March quarter, which is the quarter four of a year, invariably has some adjustments. Very often, there are expenses that you provision for as you move quarter-to-quarter. And sometimes if all of those expenses are not incurred, then they get adjusted. And then we have this Forex adjustment coming in, typically in quarter four. So, these two are the primary things which would give a positive flip to margins in quarter four.

Otherwise, if you compare Q1-to-Q1, the margins are even from a percentage point of view. I mean, from an absolute number point of view, it's higher, but from a percentage point of view, it's almost the same.

Raghav Singh: Okay. Thank you. My second question is, when we say our client base has professional services, manufacturing, so what is this professional services? Is it the clients' day? Their nature of services in this professional services?

Ajay Mian: Yes. Yes.

Raghav Singh: So, is it, like big IT organisations, or is it, like some consulting organisations, maybe I don't know, McKinsey or someone?

Ajay Mian: Rajiv, you want to answer that?

Rajiv Tyagi: So, it will be a mix, Raghav. There will be consulting organisations, legal services companies, and companies in the marketing, advertisement space. So, there's an array of services that people are offering. And if you see, even at a level, certain companies in the digital space they may be providing a service where they may be charging for that particular service and not a product per se.

Ajay Mian: There could also be an IT organisation where we are not working for that IT organisation's customer, but we are working

for that IT organisation to help them put in place their internal systems.

Raghav Singh: Okay. I got it. Thank you. That's all from my side.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the next question from Vikas Budania. Vikas?

Vikas Budania: Hi, Your presentation says that AI is bringing big changes. What are the main risks you face when you start focusing more on AI, both inside your company and when delivering work to clients?

Ajay Mian: See, the biggest change will be that we will need to recognise what the change is going to be. All businesses who don't recognise what the change is going to be will be at risk. Now, if you see from our point of view, from our solution offerings point of view, if we fail to deliver the advantages of AI to our customers, they will move to somebody else. And if they don't, they will start losing out to competition.

So, if we don't gear up, and if we don't become an AI first company, which we are working towards, and our solutions are not AI first, then we will start losing these opportunities. Because if we don't do it for our customers, our customers will start losing their market share and their opportunities. So, these are the primary risks. I wouldn't say that work is, in any sense coming down, but I would say it is changing. We need to recognise what that change is, and we need to leverage what that change is.

Vikas Budania: Okay. Second question is, can you provide an update on the sizable tender win in Saudi Arabia and how it will impact our geographic revenue mix in the coming quarters?

Ajay Mian: Well, I wouldn't say -- I mean, we'll say sizable, it was about \$0.5 million, okay? So, it's not a multi-million dollar deal. Last quarter, I had reported having won a \$3 million tender in Canada, but that was over a period of three years. This one is about \$0.5 million. We should be completing this project engagement within three to four quarters. These are all milestone-based payments, so not all the revenue may come in or get recognized in this year.

But the key thing is that this is a fairly unique project, where we had to compete with the BigWigs in the industry. And this project has the potential of becoming a sample project for several other units of this large global organisation. We expect to see more of their global entities going in for similar solutions after this one is done. And, by the way, this \$0.5 million dollar is for services.

Vikas Budania: Okay, thank you. Thank you so much.

Ajay Mian: Thank you.

Moderator: We'll take the next question from Arth Patel. Arth, you can unmute and ask..... Arth Patel?..... We'll take the next question from Shashank Rastogi. Shashank, you can unmute and ask your question.

Shashank Rastogi: Hello. My question is, when are you expecting new growth drivers like AI agents, etc., to reflect in your growth numbers? Also, for an increase in margin profile, are you planning to taper down India business and focus more on Europe and the USA?

Ajay Mian: Well, we are not tapering down anything, okay, that we have opportunities in the Americas market, which we are working to leverage. It's also a market that gives us better margins on services, but it's not that we are tapering down on this. That's the answer to your question number one.

Your other question was about when we see these agents starting to contribute or these AI solutions starting to contribute to our revenue. So, the answer to this question is in two parts. The first part is that this is a change, which is absolutely necessary for organisations like us to survive. If we don't do this, we will die because somebody else will.

And the second part of it is, which means that if you look at our revenue components, some of those components will start tilting towards the building up of these agents and enabling companies to leverage their data, which you feed into training these agents, which means that you might have reduction in some of the typical, let me say, customisation or software development type of activities, some of that revenue may get shifted.

But the point is that all of these things together are creating more opportunities. The reason that we are investing significantly in this is that, in a couple of quarters, we will become a distinct leader in this space for our segment of solution providers. I would say it's not only an advantage, it's also a necessity.

Shashank Rastogi: Okay. My second question is that since we have a substantial cash on our balance sheet, are we planning to buy any kind of a startup in AI to build our portfolio in AI, which could help us in making our growth driver today?

Ajay Mian: So, some of those things are a work-in-progress. And when the timing is right and when something more concrete happens, we'll be happy to update you guys.

Shashank Rastogi: Okay, thank you.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the next question from Rajesh Bhat. Rajesh, you can unmute and ask.

Rajesh Bhat: Hi. Good afternoon, Mr. Mian. I have two questions. The first one is, what's your current order book, and what's your book-to-bill ratio? I couldn't find that in any of your presentations. I don't know if you formally track that. Just wanted to know the order book and book-to-bill ratio.

Ajay Mian: We really do not track the order book in the same way in which, let's say, a pure SaaS product company would do or in the way a BPO company would do. Because the nature of our business is different. We don't sign multi-year contracts. So, if you go to a BPO or KPO, they would probably have contracts, which are 10 years for example, and that makes it really feasible for them to really compute their order book and so on.

All that I can say is, we look at the velocity of our business based on the pipeline that we have. And the projects, when we engage in those projects, each project would have, it kind of comes to completion in a matter of six to nine months before something else happens. So, this is the reason why we prefer reporting on our recurring and repeat business, which is an

indication of what business we are getting from our existing customers. But many of them, when they are projects, we still have to compete for them. When these are products and licenses, they usually just happen.

Rajesh Bhat:

Got it. Thank you. My second question is, I think in Microsoft you have established a name for yourself in a very niche area, which I think is a great business model. Are you also considering establishing other platforms, for example SAP or Salesforce or Workday or any of these platforms which are growing quite fast as well?

Ajay Mian:

Sure. Rajesh, this was a great question to ask maybe 10 years back or five years back, but today this question is significantly less relevant. And the reason I say so is the investment today needs to go into what is next. And the next is data engineering and AI. It doesn't really matter whether you are on one accounting platform or another accounting platform. You may be able to perform one function differently or more efficiently, right?

But the fundamental change today is brought in by AI. And AI requires data and pipelines to be built from their original sources to be fed into those. And businesses need to learn how to leverage AI, what solutions to build on AI. So, that is a bigger opportunity, and that is where we are focused on. That is where our investments will go. We are not looking at whether we should add an SAP or a Salesforce or another ERP or CRM because really it doesn't matter. It is not at all important today.

Microsoft has maintained a significant momentum, and it is leading both the AI race and the business application space. So, just because we are not just a distributor of commodities, we bring solutions to our partners. That is the reason this is not as important for us.

Rajesh Bhat:

All right, thank you. All the best.

Ajay Mian:

Thank you.

Moderator:

Thank you. We'll take the next request from the chat window. Jalaj Manocha, I request you to unmute and ask your question.

- Jalaj Manocha:** Yeah. I was just delving deep into the split across customers in the top five, top 10 buckets. If I were to see that top five and top 10 customer bucket has grown sensibly on a YOY and a QOQ basis, but x of that bucket has been grown sharply. Could you throw some light on what exactly is happening here?
- Ajay Mian:** Can you, sorry, I missed your second part of the sentence.
- Jalaj Manocha:** Yes. So, I'm saying that if I were to look at the bucketing of the customers, and if I were to look beyond top 10, it looks like there have been a sharp decline in the top line growth. What would explain that? Is it intentional or some...
- Ajay Mian:** No, no. See, it's very simple. It's very simple. Last quarter, our customer adds declined. This quarter we had more customer adds, but those customers did not really add revenue so much. So, I think, it's just a timing issue. There is nothing structural or any pattern in this.
- Jalaj Manocha:** So, could you explain a little more maybe? How does it make a transactional one, transactional issue?
- Ajay Mian:** Of course I will. For example, let's say, you sign a \$100,000 project. Now, when you sign a \$100,000 project, you don't get that \$100,000 in the quarter in which you have closed that contract because you are not supplying some material. You are engaged in a project and most of these professional fees are paid as you achieve milestones in your project.
- So, if this project, for example, is going to run for six months, then you will have, let's say, only \$25,000 billed in the quarter in which you close this account, maybe another \$50,000 in the next quarter and maybe the balance in the third quarter. And if you are adding less number of customers in a quarter, then obviously the number outside of your top 10 will look low or will not grow that much.
- The top customers are obviously the ones where the relationships have not only been multi-year, but also multi-dimensional. There are customers who have moved into the top five and then moved out from that. And that's just seasonal, based on what engagement is going on at a given point in time. But there is no pattern that you can really derive from this.

Jalaj Manocha:

Okay. Understood. And specifically on the Microsoft channel of sales and Microsoft otherwise, how should I understand that channel playing out right now, because, just doing a calculation onto, so U.S. seems to be a little on a sequential basis taken a hit and on a YOY basis also U.S.'s geography. The growth is lower than the company average, if I were to just put it. So how should I understand that, specifically? Has it got to do specifically with Microsoft as a sales channel or Microsoft as a client? Yeah.

Ajay Mian:

Not at all. See, any impact that you see, and you see what happens is there will be some churn. That's the nature of the business. So, for example, if there is a customer, so we had a customer that had been, I'm just taking an example. So, this customer had been with us for seven years or has been with us for seven years. And last year, there was a transaction in which a private equity firm came and bought that customer.

And when that happened, the private equity firm wanted to consolidate the operations of this customer into an enterprise suite of solutions that they had been running for the various entities that were in the group. So, they decided to make investments on that side, and they ramped down on what they were doing with us. So that's for example, I mean, they are still a customer because they still need those solutions. But their new investments were going on the new platform that the group, which acquired them, was working on. And on this side, it started reducing.

So, this is an example of what happens. And then there will always be situations where you implement a solution. The customer stabilises on that solution, and his need for support starts to come down before he has to make a new investment. And this is the reason somebody had asked me, why don't we do SAP and so on. The more important thing for us is that, are we ready for the next thing that the customer needs?

So, if a customer has done an ERP now and their next is AI, not just the AI which is embedded in the ERP solution, but let's say, something else, so we are investing in being ready for that next step, rather than another ERP or a CRM solution. So, some of these things are just natural timing. Either solutions stabilise and the need for support comes down, or in case of the first example I took a transaction happens and some changes

happens at the organisation level, but those are the only type of things, which have happened. There is absolutely nothing that you see, you say, structurally changing from Microsoft side.

Jalaj Manocha: Understood. Fine. Thank you. I'll get back.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the next question from Ganesh Kumar. Ganesh, you can unmute and ask.

Ganesh Kumar: Hi All, GenAI has been, its popularity has been exploding a lot since the last year or so. So have you encountered a situation internally, either through customer feedback or through a market research or even internal analysis where aspects of your product to work differently as compared to a pre GenAI world.

Ajay Mian: So, very clearly, I mean, I would say the one fundamental change is this, for example, I take the case of an ERP implementation project. Now, thus far when you talk of an ERP implementation project, you are typically looking at how to automate processes, how to make them more efficient. But now with the advent of AI and customers wanting to do more with AI increasingly, one of the first things that we look at even before we start thinking of how to tailor the processes, we are looking at that which parts of the organisation can be automated by using agents.

So, you may first bring in agents to automate a set of things and then look at that now, what other processes need to be automated through ERP. So, this is a very, very fundamental change. It has not really, I would say, fully unleashed the implications that it has, but this is going to be very significant in the coming times. Rajiv, you want to say, you want to add something here?

Rajiv Tyagi: Yes, I want to add two points that one, what has changed in the last one year. We also recently did a survey with all our existing customers and everyone is keen on AI, everyone wants to discover the use cases. Secondly, what we are also observing now is that previously if the requirements that were floated by the customer, they were primarily related to ERP or business applications. But now in their requirement also they are

specifying the areas where they like the AI to be present. So, they are becoming much more aware.

But this whole thing, everyone is on a learning curve right now. But the acceptance that AI is now going to be embedded in the business processes is very evident, even in the SMB segment. So, every entrepreneur today is aware that they have to embed the AI in their processes, and everyone is searching for the best use cases to begin with. So, they have a success story and not a failure to begin with. So that is the biggest change that has happened in last one year.

Ganesh Kumar:

Just one more question for me. So, beyond the hype that AI has generated and everybody is kind of asking, "hey, have you got AI, GenAI embedded in your systems" and all that, whether it is valid or not. So have you come across use cases in your system, in your artifacts or in what you deliver that could existentially be risky with AI getting more mature and in turn affecting our future revenue or future prospects? I just want to think...

Rajiv Tyagi:

Yeah, I think to the best of our experience thus far, all the cases where customers are asking us to embed the AI agents and other areas, we are using everything through the Microsoft Stack. So, Microsoft does provide this security feature that whatever data we bring in is not utilised by the models for their training, which is a big differentiator. So, from an enterprise point of view, their data is not getting uploaded to the general LLM models.

And as for the misuse of AI, if there is any risk and whatever risk could be there, so I think that is something which there are no empirical evidence as of now, at least at the businesses level. So that is what we have not seen, and it is not going to impact our revenue streams. I also like to clarify one more point which is whatever is the business as usual for us that is going steady. So, the ERPs will still be sold, services are still there and whatever product and licenses we were selling will still be sold.

On top of it, there is going to be an additional revenue stream of the copilots and agents. So, it's going to be the incremental revenue and the services that we'll offer. Obviously, we expect that the AI related services will also come at a premium. But

these monetisation models, once we are through the PoC phase with the customers, we have the relevant case studies. I think there the model will mature more and we'll have much more clarity that what is the overall incremental revenue that we expect in the quarters and years to come.

Ganesh Kumar: Thank you.

Moderator: Thank you. We'll take the next question from Amrit Sidhu. Amrit, you can unmute and ask.

Amrit Sidhu: My questions are almost answered, but I would like to again request a little bit of information on this that given that there is uncertainty in the market and due to tariffs etc., IT spending is generally being cut down by the customers. So particularly for this year, are we looking to basically tap into repeat business, especially with the AI angle? Or are we basically focusing on acquiring new customers? Just considering because figuring out a new technology partner when times are uncertain might be a little bit of a difficulty and this is just a hypothesis from my side. Thank you.

Ajay Mian: So, Amrit, it's not an either or. We have different teams working on acquiring new customers, and then we have teams who are working with these existing customers and trying to get more. So, it's not an either or. There might be some cases where decision making may get prolonged, which is understandable. So, we by design are not trying to tilt on one side or the other. It's very important for us to maintain the momentum. So, we will always keep looking for new business and we will also keep looking for more opportunities with the same customers.

Amrit Sidhu: Thank you.

Moderator: Thank you. We'll take the next question from Sandesh Kumar. Sandesh?

Sandesh Kumar: Hi. historically we have grown at a 20% CAGR. Even last year also we grew at 20%. So, how much growth we can expect this year?

Ajay Mian: So, I think, you know, to be, to be fair, it's a little bit hard to say that we take internal targets to grow around that whether that actually happens or whether that gets moderated a little bit it's a

little bit early. There are initiatives, some of them may click and we may be close to that number. But I think for me to put a number there and say this is what will happen would be a little bit unreasonable.

Sandesh Kumar:

Okay. So, my second question, like, in spite of adding like new customers, why is there a de-growth or little growth Y-o-Y? Did we lose any customers?

Ajay Mian:

We addressed this point a couple of questions back. You have to see that every customer that you acquire, our customers, for example, if they engage us for implementing an ERP, it's being done as a project. At some point in time, this project will end and the customer will move into a support mode. At some point in time, he may have a new project coming in and then we will have a new implementation. But this is not the model where you give X number of people to an organisation and build them at a rate of Y and you have a consistent flow of X into Y.

It may be a very nice model from an arithmetic point of view, but that can also be a very risky model because you are not connected with the end customer. In our case, we are connected with the end customer. We are making an impact on his business directly rather than having a dependency on another large company who would subcontract some of their work to us by taking some of our people. So, it's a different business model. And in this business model, some of these variations are very, very inherent.

Sandesh Kumar:

Okay. My last question is like earlier we gave a guidance of around like Rs 1,000 crore revenue maybe by 2030. How are we planning to achieve this? Any new segment of revenue or inorganic growth to scale up this revenue?

Ajay Mian:

Yeah. So, all of that. So, there isn't any one thing, there is organic and there is inorganic and there are new segments getting added. Who would have said five years back that AI will play such a big role or even three years back or even two years back, who would have said that AI will play such a big role in what organisations are doing and what companies like us will do.

So, we are actually, and if you look at all the technology curves, we are currently sitting at a segment of that curve where things

are changing very rapidly. Anybody trying to forecast or predict what will happen in the next six months may be saying something too early or too late. So, that's hard to say. This is a very, very rapidly changing space. We just have to make sure that we keep running.

Sandesh Kumar: Okay, that's it. That's it from my side. Thank you.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the next question from Piyush Vats. Piyush, you can unmute and ask.

Piyush Vats: Hi. Congratulations on the organisation completing 25 years.

Ajay Mian: Thank you, Piyush.

Piyush Vats: So, my question is a bit more on the product side. So, you've mentioned in the earlier con calls that domestically we compete against the big four firms, and overseas in the U.S. there are a few firms, you mentioned some names. So, in India specifically, are there any smaller firms that are basically leveraging the Microsoft Tech Stack and creating these products that we compete with?

Ajay Mian: Clearly there are, I mean, Rajiv, you want to take that?

Rajiv Tyagi: Yeah, definitely there are certain partners who leverage the Microsoft Tech Stack. They are also kind of creating products and solutions, which they offer in the market. But I can also tell you that by far we are the prominent and number one partner for Microsoft from the overall sales and number of customer adds point of view. But there are other partners. It is not that we are the only ones.

Piyush Vats: Okay. And just one more follow up on that. Are we planning to roll out any new products?

Rajiv Tyagi: You mean any new vertical solutions, kind of a thing?

Piyush Vats: Right.

Rajiv Tyagi: So, right now, we have matured another solution which is currently we have done the PoC in the sense that it has gone

live with one of the customers that we are working on. So, this is again for the industrial goods where how they could do quotations for the industrial goods CPQ is the area. And besides that, Ajay has mentioned in his presentation also our existing solutions. We are also modernising them and bringing the complete agentic AI layer in these solutions. So, we kind of will be releasing the version 2.0 for all of these solutions in the quarters to come. We will be implementing and upgrading them with our existing customers and obviously there will be new customer acquisition.

Piyush Vats: All right, that's it for my side. Thank you.

Rajiv Tyagi: Thank you.

Moderator: Thank you. We'll take the next question from Agam Shah. Agam, you can unmute and ask.

Agam Shah: Thanks for the opportunity. So, most of my questions are answered. So again, coming back to the growth, I mean you probably explained the growth has been slower because in terms of customer addition being last quarter a little low and the payments being on my service. So, the broad question is, if you can explain the broad environment, how it has been and how the things are looking like going ahead. I mean are we, let say, back on track in terms of growing? I'm not putting a number on to, let's say, 15%, 20% growth, but are we -- the customer addition for this quarter has been good. So, are we there in terms of growth and how is the demand scenario?

Ajay Mian: You see I had a slide where we spoke of the growth drivers in this quarter. So, clearly, there have been some new growth drivers and maybe Ritu wants to talk a little bit about that. Ritu now looks after the operation that we have set up in UAE with a new sales manager there and also with a new sales person in Africa. So, we see good momentum here. She has also been engaged with our other customers.

If you look at the overall health of the business and I started by saying that the growth seems to have moderated. But these numbers do not necessarily convey the health of the business because internally we are very busy. The amount of pre-sales engagements that we are undertaking today, and both Ritu and Rajiv are undertaking today are more than they have been in

the last several quarters. So that momentum continues and we have no doubt that we will be able to build on this in the next couple of quarters. Ritu, you want to add something there?

Ritu Sood: Yeah. I think a couple of points I just want to add. So, one is that, since we are also focusing on growth drivers, and rising industries in these geographies for example, in Africa, we see a lot of potential and growth in banking and financial services. So that has become a key growth driver in that region. And then at the same time the new products that Microsoft has launched, for example for customer service and contact centre and something that we are leveraging to gain momentum, in the specific industries. Likewise, in the UAE as well, we are focusing on the industries that are gaining momentum there. So, these are the growth drivers, that are definitely going to bring results in the next couple of quarters.

Agam Shah: Okay. And in terms of inorganic acquisition?

Ajay Mian: So, as I said, this is a work in progress. Saying anything, about this, is always premature, unless, the ink has hit the paper. So, when something happens, of course, we will let everyone know.

Moderator: Thank you. We'll take the next question from Sid. Sid, you can unmute and ask the question.

Sid J: Good afternoon. I have two questions. So, first of all, in the last quarter, we mentioned that we are working on cybersecurity, acquiring capabilities to do that. How far have we come? And have we actually started a project, or, did we work on the cybersecurity for any existing customer or new customer?

Ajay Mian: Yes. Sandeep Salman, you want to take that? You are on.

Sandeep Salman: Yeah, I would like to take that. We have made quite a progress in that. We have identified some of the resources as well as completed a couple of projects. These are predominantly into the areas of, SOPs, which is again Microsoft-led solutions for the same sentiment from Microsoft. We did it for one of the banks. Apart from that, there were a couple of projects that we did for a couple of companies that were predominantly towards device management and application management, which were again, focused on Microsoft technology that's called EMS that we completed, last quarter.

Sid J: That's great. And how do you see that scaling up? Do you see a bit of action on that?

Sandeep Salman: Yeah, I think there's a huge potential from a security perspective. We're talking about some of the solutions that we are bringing to our customers in terms of API security, application security portfolios. And wherein most of the companies are now going in the SaaS model. So, we are seeing, potential pulling in both, I guess.

Ajay Mian: The one thing that I would like to add here is that our play in this area is going to be a little bit different from the play that you would probably see from a typical company here in India. If you look at the Indian security market, probably 90% of the revenue of these companies is driven by selling products, and there is probably 10% from consulting. And when they are selling the product, it becomes a very, I would say, close finish, because distributors would want to throw in margins, and they would want to throw in discounts and so on. We don't want to compete in that business. We don't want to spend our sales and delivery efforts in that business. So, while we will continue to work for our customers, we are trying to twist this and bring the security solutions and consulting to our international customers.

This is nascent right now. This will take some time. But this will keep building, surely. And this is also an area where our offerings are not going to be limited only to Microsoft. There will be other offerings that will go along with it. So, for our existing customers in India we'll keep looking for their needs, and then we will also leverage our other sales network internationally to bring this to our international opportunities.

Sid J: Got it. Thanks. Just another question. So, you mentioned that we are doing billing for the consultancy part and we are doing billing per hour. Do you see any changes in the industry where, in the future, maybe two or three quarters down the line, the billing might be on a milestone basis? So, let's say, if a client engages with you, they say, you have this much amount and just consult us and just let us know what are the best things that you can offer, or will it still, do you see it's still being per hour basis?

Ajay Mian: So, it's all the time. This is how the model has always been. So, when you talk of the overall fee, the fee is a component of, first of all, making an assessment of how many hours will an activity take, budgeting for any contingencies and so on. And then you want to also figure out that, well, how much billing you want. And that's how you set it, based on geography and based on the competitive situations there. You decide on a rate that you want to work with. And that's how you come to your professional services fee. And sometimes, not sometime, but all the time, it is also dependent, not just on how much effort you are putting in, but also on how much the customer is gaining from this.

So, pricing is always a critical thing, and we keep looking at it closely, based on the nature of the solution being delivered, based on the geography of the customer, and based on our engagement in that. A lot of projects are billed on a milestone basis and that's the very nature of project-based businesses. There are customers, particularly in some regions, who want to go with milestones. So, for example, if we are following Agile methodology, we want to bill for every sprint completed. So that is also you know, if a sprint is a monthly sprint, then we will bill monthly, but the customer has an outcome of the sprint, at which he pays. So, it's a combination of these factors.

Sid J: Got it. That makes it very clear. I wish you and the company all the best, and a great future ahead. Thank you.

Ajay Mian: Thank you very much.

Moderator: Thank you. We'll take the next question from Miten Shah. You can unmute.

Miten Shah: Yeah. Thank you for giving me the opportunity, and congratulations once again for completing 25 years.

Ajay Mian: Thank you very much, Miten.

Miten Shah: So, my question comes back to the same question which I had asked, in the last con call, actually. Now, since we have completed almost 25 years, it's a great feat, absolutely, because it is about surviving in any industry. We know it's a competitive industry everywhere basically, whatever the sector it is. But my only question is, and I have absolutely great I mean, I feel very proud when I see this management, the entire management.

They're absolutely so transparent, so honest, and so dynamic. But the only thing, what really disappoints me is the same question, which I asked last time. After having completed 25 years, we are still sitting at that ₹150 crore of revenue, below ₹150 crores of revenue.

Now, which actually disappoints me. Although I can see a lot of improvement in the margins year-on-year, when can we see the needle moving in terms of revenue? Because we had projected, say, something around ₹1,000 crore revenue by 2030. It like a very daunting task to me in the next five years almost scaling 8 to 10 times from here. So how, I mean, can this be manifested? Or I mean, I don't know. I just wanted to ask that, actually. So, what are the plans for this, basically?

Ajay Mian:

So, your point is right, and your questions are right. Okay? Now, whether that date is 2030 or it is 2032 or 2034 is not the point. The point is that when you set a goal, the goal needs to be audacious enough. There's no point in setting up something which is, like, trivial. You know, there is also a corresponding question, which people ask that why is it that you have grown in the last, let's say, three years, but not in the past 23 years or 22 years. Right? So, all of these things and all of these questions are valid. We can ask the same question to say that, why did, for example, India experience good growth in the last 10 years, but not in the past so many years.

So, I think, I have tried to answer this. Sometimes, some things change fundamentally. Of course, we learn, but I would say, in our case, COVID happening brought in a couple of fundamental changes. The first change that COVID brought in was, it taught people worldwide that it was feasible to get consulting type of work done remotely. And you could get the same quality as you would get from somebody providing the services from across the street, because the method of working is the same. Now, this was a very fundamental shift. We have never been, and that's the character, good or bad, but we have not been a company that has had a business model of providing resources to other companies.

I started my career working in that kind of an environment, but at All E Tech, we have never done that. We have always focused on outcomes for the customers and therefore looked at mid and upper midsized businesses to see what it is that this

business requires, and then we put ourselves, to the task of delivering those outcomes to the customer. Had our business been in providing a certain headcount, obviously, that business can be multiplied when the economy does well. People need more people. Businesses need more people or more headcount. You recruit and you give people, and you can keep increasing, your relations build. It can be a great business. It's just that that's not the business that we are in. It's not to say that it's a bad business, but we are not in that business.

So, the business that we are in is very consulting led. We pride ourselves on the impact that we bring to our customers. We feel very badly if something that we have taken up to do has not brought in the desired outcomes, and then we apply ourselves to make sure that the outcome becomes what it ought to be. In the process, you are right. We did not grow as one would have expected a typical Indian IT company to grow, but then post-COVID and that's not 2020. That's more like two years later, because the world started waking up to the reality that we are finally going to be alive and not dying, and then the businesses started changing. So that brought in a fundamental change.

And with that, was our push to increase our business internationally. So, these things have come together, and that is what has seen the growth. And then there will be more things which will change. You can't really draw a graph today to look at the trajectory that we will have over the next, let's say, 8 years or 10 years because there will be, periods in between, which will see a delta shift in that trajectory.

Miten Shah:

Noted. I mean, I really appreciate. Also, one more thing as we just validated in the last phone call, and we also discussed in this, phone call regarding the starting of a new vertical related to cybersecurity solutions. So, is there a possibility to include this in a presentation going forward, and how much does it contribute? Probably, I know it would be very, very minuscule as of now. But how has it shaped up? I mean, the way we thought of starting it and getting it accelerated, has it gone in that fashion as we would have thought? So that would just give us an idea.

Ajay Mian:

Sure. We will start doing that, but I think it probably would be more meaningful to do that towards the end of this year. As I said, this is a nascent practice. We are not in the rat race of

pushing boxes and products at zero margins to customers just to add up revenue. We will work on opportunities which bring reasonable margins as well and add value to our customer set. But these numbers should start becoming more meaningful, I think, in a couple of quarters, and we will be happy to start reporting it.

Miten Shah: Sure. And just lastly, I mean, pulling into this, are there any margin difference between this vertical and the normal, vertical that we have? I mean, what is the margin difference?

Ajay Mian: Yeah. So, I would say that, when it comes to the services side, there isn't really much difference. When it comes to the product side, you know, first of all, the percentage of the product in this business typically is higher than it is in, for example, an ERP project. And in this the margins could even be lower. But on the consulting side, the margin would not be any different.

Miten Shah: All right. Yeah. That's it. Thanks a lot once again. And as I said, I am really proud to be associated with the company and its very transparent management.

Ajay Mian: Thank you, Mitesh. Thank you.

Miten Shah: Thanks a lot. Really appreciate it.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the next question from Jayakumar. Jayakumar, you can unmute it now.

Jayakumar R: This is Jayakumar from Neyveli, Tamil Nadu. I am extremely pleased. I have been associated with your company for the last two years since you were listed, and I am very proud to say that, I have gained very much from your company through its listing. I want to have some commercial clarification. I don't know whether you are eligible to or whether you are able to commit that. When I go through your, some six or seven latest quarterly report, almost I see in particular quarters, especially we just take that previous, maybe previous quarter, you were having a profit margin of some amount. And this quarter, that profit margin is almost 30% to 40% lower than that. Will the same pattern continue for the coming years also, what is the business cycle? Why it is repeated often in particular quarters, especially in all IT

companies that is applicable to you also? Especially in the first quarter, the reported that margin range is a little low.

Ajay Mian: You're looking at margin, or you're looking at the product purchase price?

Jayakumar R: Net profit. Net profit. I mean, net profit.

Ajay Mian: Oh, net profit for the whole business.

Jayakumar R: Yes.

Ajay Mian: Okay. As I said, first of all, the right comparison would be Q1 to Q1 of last year. And if you would see that, the percentages are roughly the same. As I had mentioned previously, that Q4 typically see some adjustments, and these adjustments could be on account of Forex rate fluctuation. This could also be on account of some provisioning of expenses that we might have done in earlier quarters. And if all of that doesn't happen, then that gets, added back in the Quarter 4. So those are basically the things. There is nothing fundamental, I would say, that changes.

Jayakumar R: Okay. Then I can take it. Then it's a routine thing. Every quarter, it will be a cyclic thing and we need not worry about that particular downside itself in particular quarter. Okay. That's what I can proceed. Isn't it?

Ajay Mian: Absolutely. And there will be some quarters. For example, if we have a large project win which requires, which involves some significant, product purchase and so on. So, there will be some ups and downs, but this is broadly the range. And typically, these adjustments would possibly tip the last quarter a little bit.

Jayakumar R: Okay. As of now, I'm pinning high hopes on your firm based on your recent con calls and based on your actual real outputs in your balance sheet. And I think last time you had declared a new dividend and also ought to be ₹1.50. And me and my group are pinning high hopes, and we are entering in a little early also based on your latest performance. I want to thank you, sir. Thank you.

Ajay Mian: Thank you very much, Jayakumar. Thanks for your kind words, and all that we can say is that whatever happens, all of us

continue to strive to build the organisation. Money is important. Profits are important. Revenue is important. But also important is the satisfaction of our customers. Also important is how good our colleagues feel within the organisation. All of these things together build an organisation. And that is what we try to work towards.

Jayakumar R: Actually, I've been following your data for the last one and a half years. In fact, without going through your, I just went through your last con call only. After going through your data for the last seven or eight quarters, I got some more confidence on your company, and especially people are hesitate to enter the small caps and micro caps, and we are buying on these lots and all. But even then, I had that confidence and we say, in fact, I'm not techy. I'm not an IT person. I'm basically a chemical engineer. I'm a third person. Then I consulted with my few friends and after going through the records, and I'm pinning hopes, only doubt is that quarter-to-quarter, sometimes some huge variations had, that now you clarify. Let us hope for best. Thank you very much. Thank you.

Ajay Mian: Thank you very much, Mr. Jayakumar.

Moderator: Thank you. We'll take the first follow-up question from Jalaj Manocha.

Jalaj Manocha: Yeah. Thanks for the opportunity. Ajay, if I were just to break down the revenue, I just wanted to have a view around what would be the pure-play consulting maybe new as a percentage of the top line, and I'm just trying to understand how that's moved during the last two to three years, both ways.

Ajay Mian: So, our product versus consulting typically stays in the range of, product being somewhere between 42% to 45%, and the balance, being, services. So, you will see some quarters where the product is 42% and services are 58%. In this particular quarter, the product has been 45.6% or something, and services have been the balance.

Jalaj Manocha: And while you are saying services, there would be both consulting and implementation parts, I'm assuming.

Ajay Mian: Yes.

- Jalaj Manocha:** So, do we internally even capture separately consulting pure-play consulting like, as a head separately? Do we do that? Yeah.
- Ajay Mian:** Yeah, we don't. So, let me say, we don't. And the reason that we don't is that we can't execute any project without it being front ended by a consulting piece. So, when you start an engagement, for example, even to implement an ERP, the first thing that you do is the solutioning. You understand the business. You create an architecture. You do solutioning. Now this is all consulting. We don't bill it separately. It's all part of the project cost, but it's definitely a separate activity, which is more aligned to consulting rather than just so – when we talk of implementation and different people understand different things when we say, implementation, but implementation could be something like bring in a product, install the product, configure the product, train the people, bring the data, and done. But we cannot do all of this before we have a consulting piece, heading all of this.
- Jalaj Manocha:** Understood. And then this proportion has been, during the past two to three years, in a similar range of 45 to 55 percent, right?
- Ajay Mian:** Yes. If you see all of our, you know, decks, which are available, at NSE and on our website, the product share stays in the range of 42% to 45%, of the revenue.
- Jalaj Manocha:** Understood. Thank you.
- Ajay Mian:** Thank you.
- Moderator:** Thank you. We'll take the next set of follow-up questions from Vikas Budania. Vikas, you can unmute that.
- Vikas Budania:** Hello. Yeah, we have now a team of around 360 people. What is your approach to attracting and retaining talent, especially when specialised AI and technology skills are in high demand?
- Ajay Mian:** Well, the most important thing in attracting talent is to do good work. And good work is, when you are doing work that is impacting customers, when you are doing work that is helping customers perform their businesses better, that brings benefit not just to the customer, it also brings a significant learning to us. For people in our industry, one of the most important things

is, are we learning enough? Are we doing good work? So, this is one thing.

The second thing, of course, is that we look at, the various aspects of what makes this a good place to work. And we have been for the last three years conducting this survey, and all these years we qualified for a Great Place to Work, which is an indicator of how people feel. But your question is, pretty much on the spot, getting high calibre people and keeping them is a constant challenge. You cannot take it for granted. There is no shortcut to it. You have to keep working at it. All of us have recently seen the news from Mark Zuckerberg who has offered people \$100 million. And in one case, for Mira Murati, he even offered her a \$1 billion and was not able to bring her in.

So, these are not easy questions. It's something that we have to work on constantly. And, within the management team, Ritu in particular, looks very closely after the corporate HR function, and Rajiv keeps working on innovation and building new products so that we stay at the front of the partner ecosystem. Ultimately, everybody wants to be with a winning team, and so we try to be a winner.

Vikas Budania: Yes. Thank you.

Ajay Mian: Thank you.

Moderator: Thank you. We'll take the last set of follow-up questions from Rohan Mehta. Rohan?

Rohan Mehta: Hello. Thank you so much for the opportunity again. So, at the start, you spoke at length about how Microsoft is leading with AI. Now, I also wanted to understand that given that Microsoft itself is growing quite rapidly, is it possible for us to grow at a 30% revenue CAGR over the next three years? Is that a realistic target in your opinion?

Ajay Mian: See, Microsoft is growing in various ways. I think if you look at their specific business lines, let's say, if you will look at Dynamics 365, it has grown at around 23%. If you look at the company-wide, year-on-year, I think it grew by a little over 15%. But the question is that the specific areas like the cloud grew significantly. So, whether a 30% growth is possible, I see it as possible for sure, because we are entering new markets, we are

entering new solution areas, we are entering AI, One way, for example, and this is important. You know, one way in which Microsoft is able to often grow its revenues is by increasing price.

Now that is not always a luxury that we may have available. But, overall, if you see, because the whole ecosystem is growing and because the products that we have put our bets on are growing and Microsoft is doing well, it augurs well, for us over in a couple of quarters. So, it will be a purely theoretical exercise for me to say whether, you know, we can grow 30% or 15% or 20% or 25%. I think a lot of things are happening right now. The solution areas are changing. Customer needs are changing. AI is changing things dramatically. The political scenario is changing. The global wars are having their own impact.

So, all of these things are in such a mix that it's very hard for anyone to kind of put all of those variables in one equation, and say that what will where will the next dot be? We just have to stay agile, keep looking at it, and keep working on that basis.

Rajiv Tyagi:

I'd just like to add two cents here. So, Rohan, what you'll see from Microsoft's perspective, one thing which is very clear is that from a high stage, what they have proven is that at least in the enterprise space, the consumption and adoption of Copilot has increased significantly, which is where they are seeing monetary growth as well. Now, what we need to see is when the enterprise adoption has increased, how it is going to trickle down to the supply chain and to the SME market as well, which is where, you know, there is always that impact that there are leaders in the industry who adopt a solution, and then the entire supply chain kind of follows it, the same trend.

So, this is the sweet spot where we are serving. There also we feel that this trickle-down impact has to come in the next few quarters, which will be where we'll be gaining out of it. So that definitely is going to happen, because the proof of concept has come by the result declared by Microsoft.

Rohan Mehta:

Thank you. Thank you so much for the clarification. And, secondly, my last question is on the deal flow. How is it shaping out for Q2 currently? How do you see things at the moment?

Ajay Mian: So, as we mentioned, we have seen no reduction in demand. Ritu and Rajeev are busier than before with their presales opportunities. How many of them actually get converted in Q2? How many of them slip in into Q3? That's always hard to say, because these engagements take several months. But overall, people are staying busy. We are talking to customers. The whole sales and marketing team is pretty busy and agile. And, I think, we should be doing well.

Rohan Mehta: Okay. Thank you.

Ajay Mian: Thank you very much.

Moderator: Thank you. Since that was the last question. Do you have any closing comments?

Ajay Mian: Well, I think I've said everything that we possibly would have wanted to say. Just thank you everyone, for joining, this afternoon. Happy to share our thoughts and happy to share what's happening on our side. We'll keep updating you wherever something of substance happens again. Thank you very much.

Moderator: Thank you. Thank you to all the participants for joining the call, and thank you to the management for your valuable time. You may all disconnect now.

Ajay Mian: Thank you.