

February 22, 2026

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National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C-1 G Block  
Bandra-Kurla Complex, Bandra(E)  
Mumbai -400051

**SYMBOL: ALLETEC**  
**ISIN: INE0M2X01012**

**Subject: Transcript of Q3 and 9M FY'26 Post Earnings Conference Call organized on February 16, 2026**

Dear Sir/Madam,

With reference to the above-mentioned subject, kindly find enclosed herewith a copy of a transcript of the Q3 and 9M FY'26 Post Earnings Conference Call held on February 16, 2026.

The transcript may also be accessed on the website of the Company at <https://www.alletec.com/investors-alletec>

Kindly consider this for your record and information.

Thanking you

Yours truly

For **All e Technologies Limited**

**Priyanka Kumari**  
**Company Secretary and Compliance Officer**



**ALL E TECHNOLOGIES LIMITED**

**Q3 & 9M FY'26**

**POST EARNINGS CONFERENCE CALL**

February 16, 2026 3:00 PM IST

**Management Team**

Dr. Ajay Mian - Managing Director

Mr. Rajiv Tyagi - Executive Director

Ms. Ritu Sood - Executive Director

Mr. Sandeep Jain - Chief Financial Officer

Mr. Sandeep Salman - Head of Cloud & Managed Services

**Call Coordinator**



Strategy & Investor Relations Consulting

## Presentation

### **Vinay Pandit:**

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q3 and Nine Months FY 2026 Post Earnings Conference Call of All E Technologies Limited. Today on the call from the management team 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 run us through the investor presentation for the period ended December 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

### **Ajay Mian:**

Thank you very much, Vinay, and thank you everyone who has joined us for this call today. We will go through some of the key slides and then open up for any conversation soon thereafter. So, we are going to go over the numbers, we will talk about what's happening in the AI era and things which have not changed, and then annexures that we have.

. We had a total revenue of ₹35.7 crores. Total income from operations was ₹38.7 crores, which meant an EBITDA margin of 26.2%. And the Reported Net Profit margin was 16%, but this is after the adjustment that we had to do due to government changes on the PF front. So, if you take that into account, then our adjusted net profit and margin were 19.4%, which means a total income growth of 4.2%, total income growth Y-on-Y of 1.5%, of which the repeat and recurring revenue was 88.2%, and we added a total of seven customers in this quarter.

The nine months figures are, the total revenue stands at ₹103 crores. Total income from operations in the nine months was ₹112.15 crores. The EBITDA margin has been 26.2%. The reported net profit margin was 17.7%. But again, after doing the adjustment, the adjusted net profit margin has been 18.9%. That's an income growth Y-o-Y of 0.9%, of which the repeat and recurring revenue is 92.1%. The total customers added were 27, and we have maintained the same team size of about 350 people.

If we compare the ratios, the quarterly and nine months Y-o-Y, income grew by 1.5%. EBITDA growth has been 0.8%. The EBITDA margin has been 26.2%. Adjusted net profit growth has been 4.3% and the adjusted net profit margin has been 19.4%. Looking at the nine months figures, Y-o-Y, the income growth is 0.9%; EBITDA growth, 6.5%; EBITDA margin has been at 26.2%. Adjusted net profit growth, 5.8%, and adjusted net profit margin has been 18.9%.

So, the Americas, which is basically the U.S. and Canada, have been our largest regions in terms of the services revenue. So, India has comprised of 27% and the Americas has been about twice of that, but just services. If we were to add the product margin, then India becomes very, very close to the international market.

So, product plus services for India would have been in the range of 47%, 48% and the remaining would have been international. All the regions, Europe, Middle East, Africa have had slight movements, but not much. We have had, if you look at the top 5 and top 10 customers, they have been broadly within the range, slightly more as compared to the previous quarter, you will see that the top 5 has been a slightly lower percentage from and then the top 10 have also been 28% this time.

The new customers added in this quarter have been two for domestic and five for international. It is a spread of the percentage of business that we had from industries. So professional services continue to be the biggest percentage, 35% revenue from professional services, manufacturing 16%; green energy and EPC 9%. Retail has been 9%, Food & Beverages has been 7% and so have been the financial services. And then the remaining are also given in this chart here.

So broadly, these are the numbers. These are the percentages. And our growth drivers continue to be what we have been mentioning. We have been making some progress in all these fronts. Our comprehensiveness of offerings has only increased. We added the one missing element of security here, and we are now also Microsoft Certified Partner for security solutions. We have been making some progress in that front.

We have continued to focus more to see that our geographic spread now in the areas that we already have been in, we try to strengthen those areas. All of us know how Microsoft's business has strengthened in the areas of our operations. More and more of our solutions and our new projects have been led by our own IP and our work on inorganic growth has been in progress. And I think besides all of that which we mentioned, the biggest element that is in the mind of all the people, we

running the company and you people as the investors has been what impact AI is going to bring to the IT industry, particularly in India.

So, as we have been mentioning in our past conversations, our business is different from that of a traditional IT services business. If you look at the traditional IT services business from India, this has been focused very heavily on resource augmentation, which has comprised 60% to 80% of revenue for these businesses.

For companies of our size, their reliance on large players has been very high because they would just become part of the supply chain. They would have limited end customer engagements. And the whole thing has been very heavily biased towards the labour arbitrage model.

Our business model, on the other side, has been different. Our entire business model has been around providing what are now known as Microsoft AI business solutions, which were called business solutions earlier. Now they are called AI Business Solutions because all these product lines have got AI heavily embedded into them and are now bringing impact to customers' business and we see that happening fairly regularly and customers using these new features and functionalities and new power of AI to further their business.

So, we have been working with the AI business solutions. We have been working with the Microsoft Fabric, which is the data engineering platform. And then, of course, the AI transformation services, which bring in the decision layer and the intelligence.

If we look at our business, resource augmentation comprises of probably less than 2% of our business. And more than 85% of our business is a digital transformation, with ERP and CRM being at the core. These things are going to remain, and these things become the fundamentals required for AI to work.

Our data and AI practice is now approximately 10%, and this is obviously growing faster than other lines of businesses. So, the three structural advantages that protect Alletec businesses. One is the data foundation, as AI systems require unified enterprise data. They require governed data quality, real-time integration, and historical context. And all these things live in Microsoft Dynamics 365 and Microsoft 365, Microsoft Fabric and Power platform, and these are the areas of our core competence. The other area which has been of concern during this recent period has been the scarcity of expertise.

Now AI does so many things, but it does not replace a set of things, at least not yet. You still need the domain-specific business process expertise, you require enterprise application architecture decisions, you require user adoption and change management, and stakeholder navigation. And these are areas where you require organisations like ours to actually come in and do this work for customers. And we have multiyear experience doing this. We have the needed certifications and domain expertise.

And these are irreplaceable values, which AI only helps strengthen further and trigger more need rather than replace. And in this whole AI value, it is the last mile, which is important, which brings 80% of the enterprise value. Now, as things progress, there are some things that become a commodity. So, the LLMs and other AI infrastructure are quickly and rapidly strengthening and becoming a commodity. At the same time, you require organisations like us who will help the customers and businesses consume this. So, we need generic AI to be leveraged to convert it into enterprise AI.

We require data unification, governance frameworks, and process integration. We require custom agent development and change management. So, as AI models get commoditised, this last mile work, which is complex, expertise intensive and resistant to AI automation, this is what brings 80% of the AI value. It's like taking the example of something that we probably have known now for a few years. If you look at the cloud infrastructure, be it the Azure or be it AWS, everybody has access to it.

Everybody has access to the same infrastructure, but the differentiation is in the expertise that you use for bringing and optimising these infrastructures for the end customer. That is where the value lies. That is what defines the winners and the losers. It may also be a long time back, when electricity was invented, it was a novelty. But then over a period of time, this became a commodity.

Now everybody takes it for granted, but then there is still value that has to be driven on top of it. Similarly, all of this infrastructure, it was the cloud side of the hardware earlier, and now it is the AI side. These are all becoming such integral parts of our lives that they are going to become fundamental infrastructures and value will have to be derived on top of it.

And Alletec is geared up to capture the value just because of the business model that we have and what we have been doing for

customers over these years. So, there are two ways in which we look at our business. So, there's a core business that we are working to protect and this business is not the traditional ERP CRM only. It is a traditional ERP CRM with the AI capabilities embedded in it.

So now you still have the Dynamics 365 implementation projects, which are now AI-enhanced with copilots and agents. You have the Microsoft 365 modernisation, which now goes with copilot deployment and adoption. And you still have the support and managed services, which require AI optimisation and monitoring. But then with that, you also have the expansion in the business that comes from the AI services. And these AI services come in different forms.

You have the data platform engineering where you require the Fabric, OneLake, and lakehouses to bring data from various sources and get them ready for being utilised and strengthening the AI capabilities of organisations. Now this is going to be there almost perpetually. You have this whole work coming in for AI agent development.

Now earlier, people used to work on doing custom software development. But now you have this AI agent development, and some of these are now custom-developed agents. And of course, we have enhancements that are going to happen on Copilot Studio and other agents and AI tools, which come in. And then the value is going to be in the decision layer. And this decision layer requires domain expertise.

So, with Alletec, we are not an IT services company. We are a company that is providing business solutions. We understand the customer domain. We understand what processes they require and how they optimise those processes. So, knowing the business domain enables us to work on this decision layer, which will then result into an action by some of these agents. And that is where we are, and this is going to be the expansion to the business, which we will see happening in the next couple of years.

If the traditional ERP project for us was somewhere in the range of 50,000 to 250,000 with 20% to 30% margins, these AI enhancements are going to bring similar revenues in addition on top of that. So, if you look at the new stack, the ERP and CRM now form the base of that stack. And on top of it, you have got all the other layers, the layers which are coming with data engineering, layers which are coming with all the various agentic orchestration, and then the AI applications. And that actually brings an additional revenue opportunity for us over the next one to three years.

So, the reason that we are so confident of winning in this era is we have a protected core. We don't do any resource augmentation. We are expertise-driven and not labour arbitrage. Microsoft platform itself is growing quite rapidly. In fact, Microsoft had internally reported that the growth they are seeing on the ERP side has been higher than they have seen ever before.

And AI only makes the ERP and CRM systems more critical. It doesn't replace them because it needs those ERP and CRM systems to provide the basic data that AI works on. And then we are capturing the upside. We have the new higher-margin service lines, 25% to 30% premium on AI projects, and domain knowledge that we have. And then the sustainable edge comes because of the 25-plus years of Microsoft expertise that we have and the deep domain knowledge that we have, which prepares us for the coming and changing times ahead.

So, for us, this is not a threat. It is an opportunity, an opportunity that we are going to leverage over the next one to three years. The rest of the slides, I guess, you have seen before in our earlier presentation, we have not changed much there. We still have these broad lines of solutions and services. We leverage the full stack of Microsoft. And all of these products are now AI-.

So, they bring these newfound capabilities to customers' businesses, and we help them to consume these. The Board of Directors is the same. The lead management is the same and we have the statement that you might have looked at. All of this is standard stuff. So, I'll stop presenting and just open the floor for discussion in case anybody wants to discuss something.

## **Question-and-Answer Session**

### **Moderator:**

Thank you for the detailed presentation. All those who wish to ask a question may use the option of raise hand. In case, you are unable to raise hand, just drop a message on the chat window and we will invite you to ask a question. We will take the first question from Sandesh Kumar. Sandesh, you can go ahead please.

### **Sandesh Kumar:**

Hi Sir, Thanks for the opportunity. We are Microsoft Inner Circle members, placing us in like almost top 1% of partners globally, and we are a specialised, focused full-stack Microsoft player only. However, like looking at the Microsoft numbers, Microsoft India grew almost at 28% this year. And globally, Dynamic 365 revenue grew like 23% and

Microsoft Cloud is growing at 23%. And Microsoft itself is growing like 20% in all the countries like Europe, Middle East, Africa, where we are working.

And being our revenue base is low, and we are only focused towards Microsoft products, and we are already including AI agents in all our modules like these things should grow revenue at least double-digit. Like in contrast, our income is like kind of flat. Could you please comment on this?

**Ajay Mian:**

It's a valid question. And that is what we expect to happen, and we know that it will happen. First of all, we have recognised that the Microsoft revenue does not always directly reflect in how a partner number grows. But very clearly, we have had rather modest performance (growth) in the last couple of quarters. But what we take from the Microsoft numbers is that we still are in the right space. We have picked up the right platform for multiple reasons. Earlier on, we had several macroeconomic situations impacting the business. But these are things that we hope will get addressed now in this coming year, and we should see that changing. But your expectation is not incorrect at all.

**Sandesh Kumar:**

Okay, my next question, since for the past two years we have been trying for some acquisitions, delaying acquisitions looks like it has been a good decision compared to AI disruption and global sentiment. Now I think like we got some clear direction on AI adoption and now like many boutique firms are currently undervalued due to global sentiment. Does the management intend to capitalise on these good companies at good valuation in the current fiscal year?

**Ajay Mian:**

So, I think it's a little bit early to comment on this. We are in the middle of some conversations. But the disruption in the whole valuation system has become such that some of those deals might just get stuck because of the initial expectations that the companies on the other side had and what the situation looks like today. But this is something that we keep working on. And as I said, we are right in the middle of some of it. Whether or not these deals get impacted by the change in the market situation and valuations, I think we will know in due course.

**Sandesh Kumar:**

Okay. My last question is like we have all the prerequisite to move to main board. I think earlier, we planned to move to main board. Now it's already three years. We got all the prerequisite to move to main board. Like when we can expect to move to main board?

- Ajay Mian:** You are right. We have everything that is needed from a statutory point of view and from an eligibility point of view. I think we will just go by recommendations that are made by our management team and the Board and also maybe seek external opinion. There are at times priorities that might come ahead of other things.. But it certainly is an area that we are closely watching, and I think we will be able to take a call on it sometime during the year.
- Sandesh Kumar:** Okay. My last question, like next year, can we expect double-digit growth for the whole year?
- Ajay Mian:** Well, we would want it to be that way. But whether it will happen ..., I don't think I can say (at this stage). But you know we do have the elements in place, and we have no reason to be pessimistic on this front.
- Sandesh Kumar:** Okay, thank you.
- Moderator:** We'll take the next question from Pratik Shetty. Pratik, you can go ahead please.
- Pratik Shetty:** Hi am I audible? Thanks for taking my question, sir. Can you give us a sense of what you're seeing on the ground? How is business like right now this quarter as well since we are halfway into the quarter? And what is the pipeline looking like? Like what can we expect from the quarter?
- Ajay Mian:** We have had fairly interesting last two months post December, and we have done some really nice business closures. Not every business that gets closed gets invoiced in the same quarter, so that is one aspect of it. And some of the long-duration projects will bring revenue over a period of time rather than in the same quarter. But then we have been able to close some, I would say, sizable accounts with some important customers. So overall, if you see within the organisation internally, we are fairly upbeat with the traction that we are building and seeing.
- Pratik Shetty:** And is it possible to give like a guidance for the quarter for Q4?
- Ajay Mian:** You see, as you said, we are in the middle of the quarter. And I think it is not appropriate. If you see our business, it's not about a number of people multiplied by a rate, so you make that easy computation. It doesn't work that way.
- So, a lot of our projects are milestone-based and sometimes a milestone happening a week here or a week there will decide whether the invoicing

happens in this quarter or not. But we do sense that we should have a healthy quarter.

**Pratik Shetty:** Okay. And continuing with the question asked by the previous participant, is there a rationale as to why Microsoft is growing 20% plus, but we being their #1 partner or for us, they being a #1 customer still being kind of flattish since one year, 1.5 years?

**Ajay Mian:** Yeah. So, you see for organisations like Microsoft, first of all, there are various different areas in which they keep growing. And practically their entire revenue is now cloud revenue, which just keeps building up on top of what they have done in the past. It's also easy for them sometimes to change the rates a little bit or tweak the margins a little bit. So, they have more levers with them. But that does not necessarily convey what's happening in the partner ecosystem.

We are happy that we are working with Microsoft because it's really important that the ecosystem in which you are working is healthy. So those numbers will certainly start reflecting in the partner businesses as well. This has been happening in the past. There are periods when it doesn't happen. But then we have no hesitation in saying that we'll see that happening again.

**Rajiv Tyagi:** If I can just add, Pratik, what also happens is that Microsoft has a very broad product portfolio. So, the product mix that is gaining ground in one quarter may not necessarily align exactly with the product mix of the sales that we are doing. For example, they may be doing very well in security, but for us, that is an area which we are still developing, so it will not always be a direct correlation. Because even in business applications, there are multiple suites of applications.

And for us, we also have a service component, which Microsoft doesn't have. So, if it is a six-month project, we always have a lag by the time we realise the entire value. Product sales, obviously, lion's share goes to Microsoft, we only get the margins there.

**Pratik Shetty:** So logically, with a lag, that growth should show up on.

**Rajiv Tyagi:** It should and it will. And as I said, at times it is simply a matter of product mix that may impact the numbers. Because if you see in their quarter-to-quarter performance also, so our lion's share will be in business applications. Within business applications, growth may vary by product. For example, they might see higher revenue growth in CRM due to certain large closures either in the U.S., India, or elsewhere.

And we might not have done the CRM closures in those six months. But logically, the whole ship is moving. So yes, there will be derived momentum that will definitely be there. It can only be the lag of a few quarters here and there.

**Pratik Shetty:**

Got it. That's helpful. And lastly, on the inorganic growth front, like, is there a timeline that the management has decided on as in it's been three years already and a large portion of our balance sheet, like 70%, 80% is stuck in cash, which is not kind of generating the kind of returns that your core business would. So, at what point do we think that maybe the cash is better utilised for the benefit of investors, if at all we are not finding the right acquisition companies?

**Ajay Mian:**

So, I don't think that's going to happen. We will find because we work on it quite intensely. But even if it so happens that we don't find it, in this changing AI era, there are areas of investment that we have identified because we need to prep the company for the next 10 years.

And we would need to be armed with the required amount of capital for that. Taking money out is a very simple job. it only requires Board approval. However, once capital is deployed and consumed, it must generate the kind of returns we expect from growing the business itself.. So that is where we are focused and we will either be spending this money in inorganic growth and/or building additional lines of businesses.

**Pratik Shetty:**

Is there a timeline that the management has committed to internally? Or can you share that? Is it possible?

**Ajay Mian:**

. Some of these matters are not about making commitments, because in an acquisition you can never say it is happening until the ink has hit the paper. We also do not want to make a commitment and then feel compelled to take a decision that may not be sensible just to meet that commitment.

What we can say is that we currently are in some serious conversations. However, whether it happens or does not happen, and as things evolve, whether proceeding remains sensible is also something we will evaluate carefully. So, these things always stay top of our mind. It is the intent of the Board and the executive team to utilise this money in growing the business rather than just keeping it in the bank.

**Pratik Shetty:**

Got it Sir. Thank you those are all the questions from my side and good luck to the team.

**Ajay Mian:** Thank you, Pratik.

**Moderator:** We'll take the next question from Divy Agrawal. Divy, you can go ahead.

**Divy Agrawal:** Thanks for taking my question. So, few questions from my end. Firstly, Microsoft Azure grew by 39% year-on-year, and they guided for 37% to 38% for next quarter. While if you see Dynamics 365 grew by 19% year-on-year and is expected to remain in the mid- to high teens of around 15%. So given your view that H1B has no material impact on Alletec, we should not be viewed as a regular IT service player. So why has our growth taken a hit for nine months FY 2025-FY 2026? And how soon can we revert to the 25% to 30% growth run rate?

**Ajay Mian:** Sure. Divy, what happens is - sometimes growth comes in spurts. You grow for some time and then it takes some time to adjust and put new structures in place that start delivering outcomes. So, you get into some of these phases and one could say that this probably has been the phase for us over this year.

As I have mentioned a couple of times earlier today, the fact that the Microsoft platform and ecosystem are growing is very heartening because it reemphasises that we are working in the right space and with the right set of products. So, because we keep working at this, we know that this will change. And that we are a leading partner is not something that we say, it is what Microsoft says. So, Microsoft's growth is bound to start impacting our own growth as well. It happened in the past couple of years. It did not happen as much this year. But in the coming one, two, or three years, we will definitely see those things happening.

**Divy Agrawal:** Right. So, we can expect a 25% to 30% growth run rate like in medium term?

**Ajay Mian:** Well, I don't know whether putting a number to it is the right thing to do. There is so much of disruption which is happening in the market today. It could be 25%, it could be 20%, but we expect to see a decent growth in the coming years.

**Divy Agrawal:** Got it. Next, I just wanted to know, could you share the current attrition rate as on date? Also, for better comparability, what is the attrition rate, excluding the employees who leave during the training period, that is year one?

- Ajay Mian:** So, Ritu, you want to address that?
- Ritu Sood:** Yes. So, our attrition rate is much below the standards. We maintain it somewhere in the range of about 10%, 12%. But some of this attrition also includes people whom we choose to let go rather than people deciding to leave. And in terms of the other part of the question where you mentioned about the people who started with us in the first year or so. So, we've been stable on that front. We have not seen any attrition as such for the initial 1.5 to 2 years for the people who we hire from campus.
- Divy Agrawal:** Right. So right now, the attrition rate is 10% to 12%. And what was it like before a year ago?
- Ritu Sood:** Similar, it has not changed.
- Ajay Mian:** So, in the past, we had reported that if you exclude the people who left within one year of joining, which included both the people who came in as trainees and those who were lateral hires. If you exclude those under one year, then our attrition was 6%, as I had mentioned, I think, a couple of calls ago.
- Divy Agrawal:** Right. So right now, it should be in the similar range, excluding the one year?
- Ajay Mian:** Yes, attrition has not been a matter of concern -- nothing has changed much on that front.
- Divy Agrawal:** Got it. Next, I just wanted to know at a broad level, could you quantify the margin differential between the India and U.S. businesses, like without getting into exact segment disclosures, an approximate range would be very helpful.
- Ajay Mian:** Sure. So, our business has two components. There's a product component and a services component. The product component margins are roughly the same, although sometimes in some geographies, there is stiffer competition wherein you have to give some discounts. But broadly speaking, the margin on the product side is similar across geographies because Microsoft has roughly the same price points and roughly the same partner margins. On the services side, though margins are better internationally by a factor, which could be 50% to 75%.
- Divy Agrawal:** For the services side?

- Ajay Mian:** Yes.
- Divy Agrawal:** And for the product side, can you quantify it?
- Ajay Mian:** On the product side, the margins are roughly similar.
- Divy Agrawal:** Similar, Okay. Got it. Lastly, since you mentioned Alletec is a professionally run company, do you have any plans to introduce a new ESOP program to attract and retain talent, especially at mid and senior levels? If yes, what broad structure are you validating in terms of pool size eligibility and investing in talents?
- Ajay Mian:** We don't have anything for that at this point in time. We don't rule out any of these things, but the last tranche of our previous ESOP is now being exercised. So that scheme is still not ended. So that will happen now. And whether we have to do something thereafter is something that will be put up in due course to the management and the Board.
- Divy Agrawal:** Thanks a lot for answering all my questions. All the best.
- Moderator:** We'll take the next question from Ganesh Kumar Sankar. Ganesh you can go ahead please..... We will move onto Shashank Rastogi. Shashank you can go ahead.
- Shashank Rastogi:** Do you still maintain your long-term target of reaching ₹1,000 crores?
- Ajay Mian:** Of course. I mean the only thing you did not mention is long term is what (period).
- Shashank Rastogi:** That's what I wanted to know from you.
- Ajay Mian:** Nothing keeps moving at the same rate and in the same direction perpetually. And it will be just too naive of anybody to think that something will maintain the same slope every time. If it were so predictable and so simple, then everybody would have been doing it. But this is more a matter of what aspiration you have, and it's also a matter of whether you are doing and working towards it.
- It does not necessarily guarantee that you will succeed at the same pace, and you will always succeed at every turn of the event. But we will keep working on it. There is absolutely no question on it. We might have had a slightly subdued performance in the last couple of quarters, but that's okay. We understand it. But it doesn't, in any manner dilute the overall aspiration that we have as an organisation.

**Shashank Rastogi:** Okay. Fair enough. I mean, right now, the company billing structure is what? Is it a man-hour billing day or are you gradually shifting towards outcome-based?

**Ajay Mian:** Our predominant business model has always been outcome-based. Well, I would say, when you talk of outcome-based, .... everybody understands it a little bit differently. An outcome-based project could be milestone-based, or it could refer to the results a customer achieves from it.

So, the IT industry has not yet matured to the point (where you charge on basis of outcomes a customer gets), Right from our initial days, we have been doing projects (and billing) milestone-based. But whether it is outcome-based, I would say well, if you look at our overall billing, some of our products are SaaS products, be it the Microsoft products or our own IP.

So, customer pays us when they are using the product. Whether we measure the outcome that the customer gets from the product is not something that happens in most cases today, but we expect to reach that point in the next two to three years.

**Shashank Rastogi:** Okay, my last question is that, this year has kind of a standstill for us. So next year, can we think that we will be back to the game and we will follow our directionally growth of 20% to 25% if we can get clarity.

**Ajay Mian:** First of all, we are already in the game. So, it's not a matter of getting back into the game. We are already in the game. But in the game, nobody scores a century every time they go out to bat.. So sometimes you score a century and sometimes you don't. Sometimes you are out very cheaply. But that does not mean that you stop playing. When you talk about 20%–25%, it's like asking, will Virat Kohli hit a century every time he goes out to bat? Not necessarily. But will he stop playing? Also, not necessarily.

But in our case, because it's an organisation and not an individual, the organisation will go on. We will keep working, and we are working in the areas which have been our core. We might have had a e modest year this year, but that doesn't stop us from learning and doing more in the next years.

**Shashank Rastogi:** Actually, like this disruption has recently gained a lot of traction, this AI thing. So that's why your response is quite critical in this regard. So that's why I asked.

**Ajay Mian:** No, absolutely. Maybe I missed your last question. What is the point that you are making?

**Shashank Rastogi:** I was saying that this AI thing is getting a lot of traction in January and February. So now your commentary is quite critical that whether you are confident enough that the company will continue growing in a similar manner.

**Ajay Mian:** Exactly. You see that is what one section of my presentation was dedicated to. So, if you look at AI, AI is basically helping organisations to leverage the data that they have to do things in an automated manner using the agentic frameworks and by using the various AI tools, but AI feeds on data. This data comes from systems like ERP and CRM and other applications.

Now what we have been doing so far is helping organisations bring these systems, which are ERP and CRM in place, which enable them to start gathering this data. And now we are working to help them use this data to start building their AI systems. So, this is very much aligned with what we have always been doing.

**Shashank Rastogi:** So, you maintain your status that the company will continue growing. There is no such problem?

**Ajay Mian:** Of course.

**Shashank Rastogi:** Thank you.

**Moderator:** We will take the next question from Akshay Bharde. Akshay, you can go ahead please.

**Akshay Bharde:** Good day, everyone. Thanks for giving me the opportunity. I have like just a couple of questions. First one is now in this time and this thing of AI. Now even in my company, we are like transitioning into more sort of like prompting and stakeholder management and all that instead of coding because coding is now mostly becoming a commodity.

So how do we see our own people transitioning going forward, like this 350 people team that we have? How do you see we transitioning going forward from the software development to something more valuable?

**Ajay Mian:**

So, I do not know for how much time you have observed us, or studied us, but we are not a (typical) software development company. If you look at the 300-plus people that we have, only about 40% of our total workforce are what you may call technical people. And the remaining have always been domain experts who understand finance and who understand supply chain management or manufacturing or distribution.

And then these are the people who have successfully worked in the past on deploying ERP and CRM projects for our customers. The work which the technical (people) have been doing in the past has changed. Large parts of this work are now being automated, even by us. So, our people are spending less and less time in coding because code now gets largely generated by the large language models.

And then they spend time on other tasks like integrations and translating customer requirements, ensuring that we efficiently get their systems up and running. So, the changes that you see happening because of AI in the world, we are a customer zero for many of these. And we use these ourselves. So, this brings us productivity gains. By the way, you would have also seen that in the past several quarters, we were able to increase the revenue without increasing our headcount.

**Akshay Bharde:**

Yes. Perfect.

**Ajay Mian:**

Absolutely.

**Akshay Bharde:**

Ok. Thank you. The second question is the new customer addition numbers that we have, when do we see the uptick coming there? Because I think last time, we said that because of tariffs and the other uncertainties, many of our deals were not closing or they were getting delayed. So, the number that we used to have previously like the high number of the new customer additions quarter-by-quarter. Now how do you see that coming in after the tariff trade deal and everything is done now? More certainty in terms of that.

**Ajay Mian:**

Yes. So, I think some of these things are a little bit more tricky than just this because when we talk in terms of the new customer additions, sometimes we are also looking at making a shift to determine what the minimum size of a customer we acquire should be. And sometimes when something is smaller than a certain size, we just let it pass. So, as an organisation, we are also gradually moving up the chain. We are trying to acquire customers that are larger in size.

So, the success will not always necessarily reflect only in the count that we give. We typically report this count because this count is a reflection of the velocity with which operations are moving. It's an important factor as it reflects the energy invested by the sales and marketing teams a high count here does not necessarily mean that it will always be a good thing. Sometimes we may want a lesser number of larger customers than a large number of very small customers.

**Akshay Bharde:**

And the last question is now in our AI presentation that you gave, we said that the margins could be higher due to AI. But do we see the revenue per unit of work going down due to the expectation of AI tools doing the heavy lifting? And if that is so, do we see it will get compensated due to much more work coming in like both ways, yes.

**Ajay Mian:**

So, things will change ... (things) have changed. There are things that we were doing manually earlier, which now gets done automatically. So clearly, you don't get the same revenue from there. But then there are new things to be done. These new things not only replace what was being done earlier and is no longer needed, but also open up new opportunities. And maybe, Rajiv, do you want to add anything there?

**Rajiv Tyagi:**

What you are thinking is the right direction though it will not happen just in one quarter or two quarters. But going forward, the overall cost of an ERP or CRM implementation will go down, which, on the other hand, in a country like India can expand the market by a much larger multiple because it's a very price-sensitive market, and there are a lot of small and medium enterprises who have still not gone for a standard ERP, CRM implementation. So, there should be an uptick in terms of the number of customers that you will be able to add, though there will be slight reduction in the implementation value that you offered to the customer due to efficiency gains through AI and related tools.

**Ajay Mian:**

The other very important thing that you also have to know is that the changes which AI is bringing are quite dramatic. And anyone who thinks that they will just keep going as before without fundamentally changing their way of working will probably be proven wrong. So even on our side, while we do keep giving a push to add business momentum, a good part of our time, mindshare, and energy also goes in rethinking our own product lines, reinvesting.

So, for example, some of our own IP that we have built for various industries in the past, we are busy making them AI-enabled. We are busy bringing agents into them so that they are ready for tomorrow. Now some of this work does not immediately show up as revenue. Some of this work may take our time and energy away from activities that would

have added more numbers to our financial statements in this quarter and the next quarter. But then we are working on some of these things which are longer-term value drivers rather than immediate revenue contributors. So, there are some other product lines that we are currently building and working on because we are looking at how the organisation will be in the near future.

**Akshay Bharde:** Thank you. That was my last question which you already answered that. Are we then thinking of transitioning into something? Thank you very much. All the best to everyone. Thank you.

**Moderator:** We'll take the next question from Siddharta Mathew. Siddharta, you can go ahead please.

**Siddharta Mathew:** Thank you for taking my question. So, you mentioned data and AI services is now roughly 10%. Where do you see that settle, say, two to three years from now or even longer?

**Ajay Mian:** What will happen in two to three years' time is that some of this work will become indistinguishable from the rest. It will become so much a part of everything that you won't be able to say that this is data and AI and that is not. So that is what is going to happen. At the moment, we are able to say this because we have a historical background, and we can distinguish between what is data and AI and what is not. But then in the next three to five years, it will all become an integral part of everything that we do.

**Siddharta Mathew:** Okay. And that has been coming with a higher margin to your company as well, right?

**Ajay Mian:** It will. At the moment, we cannot say that because a lot of these things are sometimes in the experimental stage. Sometimes you are just investing in pilots, but eventually, it will.

**Siddharta Mathew:** Okay. And with a lot of the automisation that you mentioned even in your own processes with AI, is that in a way, cannibalising some of our existing revenue, would you say?

**Ajay Mian:** You see the thing is I wouldn't say that it is cannibalising. The right way to look at it is that if we don't do it, then we would either not win the customer or that need from the customer will anyway go away. The thing is that you have to do all of this. It's not a choice. You have to do it because you can't assume that the customer is captive. You have to do all of this to stay relevant. You have to do all of this to be more

competitive, and you have to keep bringing the customers' timelines and prices down.

So, we are not staying at the edge, you have to sometimes take some calls. So, you do, for example, ... a certain task of some report writing or some BI dashboard creation, which was being done earlier. And now when you use AI to do that, you are able to do it significantly faster. So that's cannibalising what was being done earlier, but it's not a choice that you have.

**Siddharta Mathew:** Just wanted to get a sense of that. My final question, I noticed that U.S. has come down slightly this quarter and India has gone slightly up. Is that sort of a trend that we can expect going forward or not really?

**Ajay Mian:** You see, first of all, I think those percentage points are very, very small. So, it is not really an indication of any big shift. But then, as I have mentioned in some of my earlier calls, if you see India as a whole, which is product plus services, it's fairly competitive with the rest of the world. India product plus services still accounts for like 47%, 48% of the total revenue.

But then the proportion of product and services in India is very different from the proportion of product and services in the international market. In the international market, our product versus services is in the range of -- the product is typically between 22% to 25% of the total revenue. In India, the same number can go somewhere between 55% to 60% also.

**Siddharta Mathew:** Those are all my questions and thank you for answering.

**Moderator:** Thank you, Siddharta. We will take the next question from Mayank Agarwal. Mayank, you can go ahead please.

**Mayank Agarwal:** Yes. Thank you for the opportunity. I have just one question on the AI and data services, which is currently around 10% of the overall pie and growing at 25%, right? So, like if you can share like what percent of the new deal wins in the last few quarters like included AI components? And how much has the average deal size increased due to the AI led cross-sell?

**Ajay Mian:** I think I responded to a part of your question in the previous conversation I was having with this gentleman. Some of these things are getting so much integrated with your overall work. More and more customers when they are looking and thinking about their ERP and CRM systems are also seeing what other data they need to bring in, how

to bring that data, and how to put it together in, let's say, a datalake and what BI and then ultimately, AI work can be done out of that.

We have given broadly that we are seeing it at around 10% now. And I think trying to fine-tune it to a more specific number would probably be just an artificial way of looking at something that is not so distinguishable.

**Rajiv Tyagi:** Just give him some feel factor. If we added five customers in the last quarter, I can tell you that for three of them, there was data and AI as a component part of the proposal and it constituted ballpark around 20%.

**Mayank Agarwal:** Thank you so much for answering the question and all the best to the team.

**Moderator:** We'll take the next question from Salil Chitale. Salil, you can go ahead please.

**Salil Chitale:** Thank you for the opportunity. Just I would like to know, so now everyone was expecting 25%, 30% growth. Of course, we have been having that for the last three, four results. But we had flat results. So, I just wanted to know from you given the macroeconomic conditions, I mean the flat results are a good thing for us if you are expecting worst scenario or I'll like to have your take on that.

**Ajay Mian:** No, I don't think that will be accurate to say. We don't go with (the thought) that we expect it to be much worse, so we are happy that it is flat. There isn't that much of time to think about all this. We just keep moving forward. You keep working on opportunities and deals and you keep changing the organisation on whatever is needed to win in this race.

So, I don't think it will be right to say that we expected worse and we are happy that it stayed flat. No, that's not the case. Invariably, at the end of a quarter, we are always thinking that, oh, this deal slipped and that deal slipped. And so, it's an ongoing thing, but I think it is not right to say that we expected worse and we are happy that we are flat.

**Salil Chitale:** One more question. I think a couple of quarters back, I don't able to recollect the name. I think so we had a partner with someone in Canada for business development or something. So, I mean, since we have cash, so are we doing the same thing in other geographies as well and whether that was fruitful partnership or the business?

**Ajay Mian:** So, what we have done in the last couple of weeks ... so by the way that partnership that we had (in Canada) is no longer active because we became more active directly in the region. And the company that we had a partnership with their own level of activities in this area kind of started tapering down. But Canada is a very active region for us.

We have some extremely important customers and sizable customers from whom we have been building a good business traction in Canada., We have added more headcount in at least three regions. We have added a senior consulting person, project management and consulting person in the U.S. and we have added junior salespeople in both Africa and in the Middle East.

**Salil Chitale:** Okay. Thank you and all the best.

**Moderator:** We'll take the last question for the day from Ganesh Kumar Sankar.

**Ganesh Kumar Sankar:** Yeah. So, if you slice and dice your customer and prospect base based on SMEs, larger enterprises and all that, do you see any common pattern or any common challenges with respect to any delay in decision-making?

**Ajay Mian:** Yeah, absolutely. But I think the best will be that I will just ask Rajiv to talk about what he is experiencing in India and Ritu to talk about what she is experiencing in some of the other geographies. Rajiv, you want to go first?

**Rajiv Tyagi:** From India perspective, I can tell you that in the SME, the momentum is going on. But for the enterprise and the large organisation there was a delay in the decision-making in terms of what they will do, There the momentum is going on. Ritu can tell about...

**Ritu Sood:** We see the same thing in other geographies as well, where since (for) the SMEs the decision-making lies with one, two people on the top. So definitely, it's easier. But then the more you go to the mid-sized and large enterprises, it's a multi-stakeholder (situation). sometimes Board approvals also take time So here, we see the same thing. But then at the same time, sometimes decisions slip between one quarter and the next. But the momentum is on in all the regions that we are active in.

**Ajay Mian:** Africa, though is one region where decision-making has been significantly longer than other regions. I guess it has been like that for all sizable accounts there.

**Ganesh Kumar Sankar:** Great. Thank you.

**Moderator:** Since there are no further questions, would you like to give any closing comments?

**Ajay Mian:** Well, I think we kind of summed up everything that I would have wanted to say in my presentation and as part of the responses to various questions. We are in very interesting times. We might not have had a big growth year behind us. But we know that we are in a space and we are at times where things are moving on, and we are doing what is needed to keep up.

Product lines are changing, customer requirements are changing, and we are changing our whole set of offerings to make sure that we stay at leadership position. And the one consistent question that everybody had was that Microsoft is growing rapidly. Why are we not growing? Very correct observation. It has been the case. But then Microsoft's numbers do not always immediately reflect in partner numbers. And this is not just for us, it's also for various other partners, particularly if you're in consulting and BizApps space and not just in the product selling, license selling space.

But it just proves that we are in the right space, working on the right technology stack with the right company, which is Microsoft. And this will start bringing an impact in the coming years. More importantly, I would say that our focus at this point in time, given the pace at which technology and the business environment has moved ... our focus is not so much on what happens this quarter or the next quarter. We have to put focus on what happens next year and the next three years because AI is going to change the customer requirements and AI is going to change what we have to deliver to customers to stay relevant to their needs.

**Moderator:** Thank you, sir. Thank you to the management team for your valuable time and thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.

**Ajay Mian:** Thank you very much.