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Date: 30th July 2026

To
National Stock Exchange of India Limited ("NSE")
Address: Exchange Plaza, Plot No. C/1, G- Block,
Bandra –Kurla Complex, Bandra (East),
Mumbai-400051

NSE Symbol: CANARYS
ISIN: INE0QG301017

Subject: **Transcript of Earnings Conference Call for Analysts and Investors held on 27th July 2026.**

Reference: **Regulation 30 read with Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

Dear Sir/Madam,

Further to our intimation dated 27th July, 2026 and 28th July, 2026 with respect to the earnings conference call with the analysts/investors to discuss the Company's financial performance for the half year ended and financial year ended 31st March 2026 (H2 & FY26), and pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations, we hereby submit a copy of transcript of the Earning Conference Call of M/s. Canarys Automations Limited (the "Company") held on Monday, 27th July 2026 at 02:00 PM (Indian Standard Time (IST)).

This disclosure is also being made available on the website of the Company at www.ecanarys.com

We request you to take the same on your record.

Thanking you.

For **CANARYS AUTOMATIONS LIMITED**

Ambikeshwari M A
Digitally signed by Ambikeshwari M A
Date: 2026.07.30 12:07:42 +05'30'

Ambikeshwari M A
Company Secretary & Compliance officer
Membership No. A67639

CANARYS AUTOMATIONS LIMITED

H2 & FY26 Earnings Conference Call

July 27, 2026

MANAGEMENT: **MR. RAMAN SUBBARAO M R –CHAIRMAN AND MANAGING DIRECTOR – CANARYS AUTOMATIONS LIMITED**
MR. SHESHADRI SRINIVAS – CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – CANARYS AUTOMATIONS LIMITED

MODERATOR: **MR. AKHILESH GANDHI – STELLAR INVESTOR RELATIONS ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Canarys Automations Limited H2 and FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Akhilesh Gandhi from Stellar Investor Relations. Thank you, and over to you, Mr. Gandhi.

Akhilesh Gandhi: Thank you, Anushka, and good afternoon, everyone. I Akhilesh Gandhi. And at Stellar Investor Relations, we manage Investor Relations for Canarys Automations. I'd like to welcome you all to the Canarys Automation's H2 and FY26 Earnings Conference Call.

Today, we will be sharing the key operating and financial highlights for the year ended on March 31, 2026. We are pleased to have with us today the management of Canarys Automations, mainly Mr. Raman Subba Rao, he's the Chairman and the Managing Director of the company. And with him, we also have Mr. Sheshadri Srinivas. He's the CEO and Executive Director.

Before we begin, I would like to mention that some of the statements made during this call may be forward-looking in nature. These are based on the company's current beliefs, assumptions and expectations. They are not guarantees of the future performance and involve uncertain risks and uncertainties. The company does not undertake any obligation to update these forward-looking statements to reflect any future events or developments. The financial results and investor presentation have already been uploaded on the stock exchanges.

With that, I now invite Mr. Sheshadri to share his opening remarks on the company's performance for the half year and the full year ended on March 31, 2026. Thank you, and over to you, sir.

Sheshadri Srinivas: Thank you, Akhilesh. Good afternoon, everyone, and a very warm welcome to all our shareholders, investors, analysts and members of the investment community. Thank you for joining us today and for your continued trust and support.

To start with, FY26 has been without a question, the most defining year in Canarys' 30-plus year journey. During the year, we delivered our highest ever financial performance, crossing 2 historic revenue milestones, surpassing INR100 crores on a stand-alone basis and reaching close to INR200 crores on a consolidated basis for the first time in the company's history. But what makes

FY26 truly special is not just the scale of these numbers. It is the nature of the pivot behind them.

In 3 decades of building this company, we have never repositioned Canarys as decisively as we have this year. We have moved from being a trusted engineering services partner to become an AI native engineering and solution resilience platform, a shift that, frankly, would not have been possible even a few years ago. This is a new chapter for Canarys, and I could not be more excited about what lies ahead.

Let me talk about the single biggest driver of this pivot, our proprietary CAR framework, which stands for Canarys Automation Resilience. We see artificial intelligence not as another technology trend, but as a fundamental shift in how software is engineered, deployed and managed. Recognizing this early, we made a conscious choice to embed AI into the very core of our technology strategy and the CAR framework is how we have brought that vision to life.

The CAR framework embeds AI across the complete engineering life cycle through 4 pillars. CAR-D, which stands for design, CAR-E, that is for engineering, CAR-T, which is for testing and CAR-S for support. Rather than a rip-and-replace approach, CAR smartifies what our customers have already built, making their existing investments self-healing, disciplined and long-lived.

Together, these 4 pillars create a continuous cycle of learning, automation and improvement, enabling faster development, higher engineering productivity, improved software quality and quicker issue resolution.

The economics here are compelling. Our assessment shows that Agentic AI delivered through the CAR framework has the potential to improve engineering productivity by up to 5x, increase revenue per employee by more than 40%, improve gross margin potential by up to 12 percentage points and accelerate project delivery by nearly 30%.

These are not incremental gains. They are structural advantages that make Canarys a fundamentally more scalable and profitable business. And this is not theoretical. Leading global enterprises, including a Fortune 100 technology company and a leading North American bank are already deploying CAR-powered solutions with us today, validating the strategy in the real world.

Building on this AI-first foundation, we are also scaling our portfolio of proprietary AI-powered products, which we see as a genuine second growth engine alongside our core technology solutions. AURYIS, our flagship platform for the pharmaceutical and life science industry is emerging as one of the most exciting parts of this story.

It is an AI-powered regulatory compliance and safety intelligence platform that manages regulated processes such as CFR Part 11, deviations, change control, compliance and pharmacovigilance for global life sciences customers, turning complex unstructured compliance data into clear audit-ready insights.

AURYIS addresses a large and growing regulatory technology market, and we believe it has the potential to become one of Canarys' most significant long-term value creators as we deepen adoption with existing customers and expand into new markets.

Alongside AURYIS, ClubAce is bringing agentic automation and intelligent insights to clubs, hospitality and membership management. And Scholaris is transforming how universities manage the doctoral and research life cycle, both addressing large, underpenetrated market with strong recurring revenue potential.

All 3 platforms are built AI native from the ground up and designed for scalable subscription-based multi-tenant delivery, giving them the direction to path to annuity revenue and proprietary IP alongside our services business.

None of this pivot is possible without deliberate investment into our people. Talent and capability development is one of our core growth catalysts going forward, and we are investing meaningfully in future-ready talent, continuous learning and AI upskilling across the organization.

Every one of our engineering practices from digital DevOps to digital assurance to intelligence and analytics is being retrained and reequipped to work AI first so that our 430-plus professionals are not just using AI tools, but are fluent in designing, deploying and governing agentic AI solutions for our customers.

This investment in capability building is what will sustain our competitive edge long after the initial pivot is complete. Equally important, especially at a moment of transformation like this is our culture. Any company can adopt new technology, but fewer can carry their people through a genuine reinvention of how they work. At Canarys, our people-first culture is what makes this possible.

We have an energetic and increasingly experienced team, and we are proud that attrition has steadily improved over recent years, reflecting the trust and stability our people feel even as the business itself transforms around them.

We continue to invest in the moments that build the culture from Canarys Kreedotsava and Canarys Women's Premier League to Ugadi and Kannada Rajyotsava celebrations because a team that feels a genuine sense of belonging is a team that will carry any transformation forward with confidence.

FY26 also brought welcome external recognition of the work our teams are doing. We were named GitHub's 2025 Growth Services and Channel Partner of the Year, recognized on stage at GitHub Universe in San Francisco. Building on our passion as the number 1 ranked GitHub Partner in APAC.

Our water resource management team has honoured with GEEF Award for Urban Flood Early Warning System work, and we continue to be recognized as a leader in DevOps solutions and most innovative DevOps company alongside long-standing partner recognitions from Microsoft, JFrog, GitLab, SAP and Snyk. These awards are a welcome external validation of something we already believed internally that the depth and quality of this team are genuinely best-in-class.

Let me now take you through our financial highlights for FY26. Our stand-alone business delivered its highest ever performance, crossing the INR100 crores revenue milestone for the first time. Total income stood at INR101.7 crores, up 16% year-on-year. EBITDA grew 25% to INR17.5 crores with margin improving to 17% from 16% in FY25. Profit before tax and exceptional items grew 29% to INR16.7 crores, a margin of 16%, reflecting genuinely strong operating performance.

Profit after tax stood at INR10 crores. Growth here was affected by a onetime exceptional item relating to the implementation of labour code provisions. And excluding that item, our underlying profitability tells an even stronger story.

On a consolidated basis, FY26 was another milestone year as we reached close to the INR200 crores revenue mark. Total income stood at INR199.7 crores, up 121% year-on-year, led by strong momentum in our Technology Solutions business.

EBITDA stood at INR24.5 crores and profit after tax stood at INR14.8 crores. International revenue now contributes approximately 48% of the total, reflecting a genuinely global business with operations across India, the U.S.A. and Singapore.

Serving customers in 10-plus countries, while consolidated margins moderated during the year, this was a conscious outcome of our strategic investments in talent, technology and integration of Fortira. Investments we believe will drive stronger operating leverages as they mature.

Our order book stands at approximately INR441 crores, giving us healthy revenue visibility for the years ahead. Technology Solutions contributes INR206 crores, nearly doubling from INR105 crores in FY '25. Fortira adds INR207 crores and Water Resource Management contributes INR28 crores.

The acquisition of Fortira Inc. in April 2025 has been a strong strategic move, strengthening our North American presence with 20-plus enterprise customers and materially expanding our capabilities across AI, cloud, cybersecurity and digital engineering. This year, we created history on revenue crossing both INR100 crores stand-alone and close to INR200 crores consolidated milestone for the first time. We are now bringing the same intent to our margin story.

Over the next 12 to 24 months, we expect EBITDA margin, PAT margin and our other key growth parameters to improve meaningfully, driven by 3 concrete levers. First, as agentic AI adoption scales across our delivery model through the CAR framework, we expect to realize much of the up to 12% point gross margin potential we have already identified, converting engineering productivity gains directly into the bottom line.

Second, as AURYIS, ClubAce and Scholaris scale, our revenue mix shift progressively towards higher-margin subscription-based product revenue, alongside stronger cross-sell and wallet share growth across our existing customer base.

And third, the integration costs and talent investments that moderated margins in FY26, including the Fortira integration are largely onetime in nature. So we expect operating leverage to build as these investments mature into scale.

Put simply, we are deliberately pivoting our business model through AI and our product portfolio toward a structurally high margin, more profitable and faster-growing company, and we expect the numbers to show it over the next 2 years.

I would like to take a moment to thank the people who made this year possible to our employees, thanking you for embracing this pivot with such energy and commitment. You are the reason Canarys can move this fast. To our customers, thank you for your continued trust and for partnering with us on your AI journey.

To our shareholders and Board of Directors, thank you for your confidence and support as we invest in this chapter of growth and to our partners and vendors, including Microsoft, GitHub, SAP, JFrog and the wider ecosystem that supports us. Thank you for standing alongside Canarys as we build something genuinely differentiated together.

With that, I would now be happy to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Disha from Sapphire Capital.

Disha: Hello. Am I audible, sir?

Sheshadri Srinivas: Yes.

Disha: Hello?

Sheshadri Srinivas: Yes, you are audible.

Disha: Yes, yes. A couple of questions. So for this quarter, sir, you alluded in the presentation, we've seen some pressure on the EBITDA margins because of the integration costs and the talent onboarding. But going ahead, you expect that to scale up. So if you could just elaborate a bit more on how will the ramp be what sort of margins will be target for this year and for the next year?

And also on the Fortira side because I think the company is significantly below what our company level margins are. So how do you -- how long do you think it will take for us to bring Fortira back to our company level margins around 17% to 18%? And what would be the growth drivers there?

Sheshadri Srinivas: Disha, I think as I mentioned earlier as well, so we are changing our business model with the introduction of agentic AI and the CAR framework and the product portfolio. So this would definitely change the margins going forward. The correction will definitely take about 12 to 18 months. And Fortira has already seen good traction with this.

We are also reaching out to the existing customers of Fortira, using our CAR framework and the products and the solutions what we have. So with that, we are also pivoting Fortira's business line and the business model. So it would take at least 12 to 18 months for us to really build the traction and change the margins.

Disha: Any sort of numbers that we're targeting for this year, the EBITDA margins?

Sheshadri Srinivas: We are working towards that. We have not really benchmarked or given any guidelines so far. But yes, definitely, if you look at year-on-year, we are improving. So this year also, we see there's a positive growth on both top line and the EBITDA margins.

Disha: Okay. Okay. And sir, because we have a very good order book currently, how do we see growth for this year, for the next year? And how much of that will be driven by Fortira versus our core business?

Sheshadri Srinivas: So if you notice, I think we have INR200 crores plus order book, both the Technology Solutions and with Fortira. So these are, again, next 3 to 4 years order book, but we are working towards building additional order book as well so that we can close maximum that's possible for this year and also achieve the best results with good margins. So also water resource business, we are picking up good projects now. So that will also add up to the margin book.

Disha: And how is the current pipeline for the order book? And what is the key geography that we're targeting? What will be the export share for this year?

Sheshadri Srinivas: The total order book stands at around INR440 crores. And as I mentioned, around 48% of our business is coming from export. So the target is to cross 50% plus on the export business and have a similar business in the India region.

Disha: Okay. And what about the pipeline of the orders that we have bidded for? How do we see the inflow for this year?

Sheshadri Srinivas: Pipeline is pretty strong. We are working on multiple project opportunities. And as we speak, we are adding new orders into the book. So as on date, it stands at INR440 crores, but I feel easily we can add another INR70 crores to

INR100 crores order book. So that's the kind of opportunity that we are looking today.

Moderator: We take the next question from the line of Amit Mehendale from RoboCapital.

Amit Mehendale: Sir, my first question is again on the revenue CAGR. So this INR400 crores order book, this is executable in what period? Is it like 18 months, 24 months?

Sheshadri Srinivas: This is like 3 years and some projects are even available for the fourth year, but most of these projects for 3 years.

Amit Mehendale: Sorry, can you repeat that? The audio quality was not that great.

Sheshadri Srinivas: Most of the projects are for 3 years, the order book and very few countable ones are even extended to the fourth year. But majority of the projects are spread across 3 years.

Amit Mehendale: Right, sir. And how much of the current revenue is the recurring revenue? Like what percentage of current revenue will be tag as recurring like ARR?

Sheshadri Srinivas: One second, let me -- around INR370 crores are on the recurring revenue.

Amit Mehendale: Okay. And for revenue, what do you expect growth to be for next 2 years, revenue growth? Is it fair to say that we'll do about 18%, 20% or more than that, 20%?

Sheshadri Srinivas: It should be. We are targeting a little higher as well. But at a bare minimum, yes, 20% is quite achievable, but we are targeting for higher growth.

Moderator: We take the next question from the line of Niraj from Pransh Group.

Niraj: So with regards to your recurring order of INR367.4 crores, this is the recurring from the client. That means after 3 years, then they just renew it. Just a clarification on that.

Sheshadri Srinivas: That’s right. I think there are certain customers...

Niraj: Sir, what is the annual run rate of this recurring order. Like how much annually you can build to the client? Is it evenly built across the 3 years period?

Sheshadri Srinivas: Okay. Let me explain you. I think a fair question. So these are -- some projects are annually renewed and some projects are renewed every 2 years and some projects at every 3 years. So every year renewal, what we do is generally 100% of the project value will be consumed and also built.

So 2 years project generally, what happens, we put a SOW, what we call a statement of work for a period of 2 years, but we see that the consumption changes as the customer business progresses. And sometimes we consume more in the first year, so they give additional SOWs in the second year and the third year.

So it all depends on the customer business pivot as well. But in most of the cases, we try to consume 100% of the available work orders. And in some of the cases, Q4, they also end up giving the temporary additional funds for any new initiatives. And most of the new customers that we acquire also run into multiyear contracts. So that way there is a repeatable work orders from the new customer base.

Niraj: Got it. Another question is your order book increased from INR105 crores to INR440 crores. Out of that, Fortira is about INR207 crores. So even if I remove it, then also your order book grew quite meaningfully.

But we haven't seen that much of new order announcement from you guys. So is there not a practice to issue any large order that has been received by the company to the SEBI to the exchanges?

Sheshadri Srinivas: No, the large orders are getting announced in the exchange. But we are also thinking should we do a kind of monthly announcement even if it is the small wins so that we can consolidate and put a reasonable details so that every month, there is a visibility available. But I think the large orders are getting announced in the exchange now.

Niraj: Okay. Because even excluding the acquisition, which is an organic growth -- inorganic growth, so then also your order book meaningfully grew by 2.3x compared to the previous year.

Sheshadri Srinivas: Correct. You're right. So that's because of...

Niraj: Your announcement does not show that. That's the issue out there. One strong suggestion would be please issue a quarterly results. You have already listed for now, I think, 18 to 24 months. soon, you will have the period to transit to the main board. There, you need to have the quarterly results to be disclosed out there. Please practise this quarterly results disclosure of financial statements.

Sheshadri Srinivas: Thanks for that suggestion and recommendation. We are deliberating internally towards this, and we are getting prepared to do that. Definitely, we want to give more visibility, more details to all the shareholders and the investors. So we are working towards that. And definitely, this input is taken positively, and we will work towards this.

Niraj: Understood. Another question is since you're now close to 50% of your exports are from overseas and with Indian currency devaluating, aren't -- when you are saying a 20% growth, are you talking of a 20% growth in the constant currency or in INR terms for the revenue for the current financial year?

Sheshadri Srinivas: Right now, it is in INR. But yes, we are also working towards...

Niraj: 15% has been already been devaluated in INR. If you see from the last year's weighted average cost to this year's weighted average cost that you will be realizing. Last year would be about INR83, INR84, I guess, weighted average realization in INR. This year is already INR96, INR97 could be higher as the year progresses. So I think you should have a much higher target in INR terms.

Sheshadri Srinivas: Yes. I said, 20% is much doable, but we are targeting for a higher growth. So we are working towards reaching that higher value. But yes, 20% is the minimum that I mentioned, right.

Niraj: I may have joined a bit late. I missed -- the first participant asked that you might see a margin pressure in the first quarter. Is there -- what's the reason for that? Because all the acquisition and everything is done so well. Why you see a margin pressure in the first quarter?

Sheshadri Srinivas: Margin pressure.

Niraj: Is the PAT margin or EBITDA margin going to go down? Or I think it will increase because last year, you had the integration cost, synergy benefits should start...

Sheshadri Srinivas: No, it will increase, as I said. I think...

Niraj: Hope it will increase, not go down?

Sheshadri Srinivas: Yes, yes. Not go down.

Moderator: We proceed with the next question from the line of Varun Shivram from Choice.

Varun Shivram: Am I audible?

Sheshadri Srinivas: Yes, Mr. Varun. You are audible.

Varun Shivram: Sir, my first question would be on the AI piece. So now Canarys has positioned itself as an AI company, right? And just wanted to ask how much percentage of our revenue in FY26 came from these AI-led engagements? Any key projects you would like to highlight on this front as well?

Sheshadri Srinivas: Yes. Good question. In FY26, we did not bifurcate our books to record the AI revenue. But yes, we did execute some of the good projects. From this year, we started even bifurcating the AI revenue. So going forward, you would see that bifurcation coming as part of the results, like what is our AI business and how much -- or how many projects we are executing. The metrics will be announced.

But if you ask what kind of projects that we did it, as I mentioned in my speech as well, so we did good implementation for the large Fortune 100 technology company as well as one of the bank in North America. Also, we have used quite a lot of -- as part of our Microsoft and GitHub partnership, we have done a good amount of enablement on the Copilot.

Copilot is again an AI engine of GitHub and Microsoft. And we have done enormous amount of work on the Copilot. In fact, we are the favorites of Microsoft and GitHub when it comes to the Copilot implementation and enablement. So when I say enablement, we did around 200,000 developer community enablement across India, one of the highest enablement in the entire globe.

So when I say enablement, we do an end-to-end Copilot implementation and train all the developer community, do a lot of POCs and ensure they are capable enough to use the Copilot the way business looks at. So we did quite a lot of good work in FY '25 on the AI, but we did not actually bifurcate the booking, which we are doing it starting April this year.

Varun Shivram: Understood. Sir, continuing on this question, especially you mentioned Copilot. Sir, the thing is that these AI companies like OpenAI, Claude, they have seen that they are expecting to grow at 100% in the coming years. I think some of this growth will be translated into our growth as well, right?

So what kind of should we look at for our AI business? What will our revenue mix be going forward? And will the overall growth of AI be much faster than the traditional business model?

Sheshadri Srinivas: Definitely, the growth is faster. And also the margins are better because the amount of work done will be faster. Productivity gain is seen using the AI engines. A lot of customers are also asking quick turnaround because they all feel that AI is the norm, and we cannot avoid that.

So if you look at the business shift, I would say any enterprise or any companies of our size, at least 30% to 35% should come from AI to start with, and it will keep increasing and it will change the model.

Varun Shivram: Understood. So are we planning any partnership with Claude because they are, I think, growing faster compared to all the other players in enterprise AI?

Sheshadri Srinivas: We have already partnered with Claude. We are Claude partners now, and we are working towards even the solution partnering. Today, we are at a different partnership level, but they do have multiple partnership levels, and we are working towards their solution partnering. But if you ask, are we a Claude partner? The answer is yes, we are a Claude partner today.

Varun Shivram: Understood. Sir, my next question is on Fortira. So it has grown significantly, especially our international presence has grown because of it. But I think it's a traditionally lower margin business than the India business. So what is the strategy behind this? If you could explain it a little bit?

Sheshadri Srinivas: You're right. I think the strategy behind increasing the Fortira margin is also we need to pivot their business model as well. So today, if you look at the SOWs of Fortira, so it is basically project basis and related to the headcount basis.

So we also need to change that using our solutions and the CAR framework of AI agent. So that way, the margins will be better going forward. And we are in conversation with Fortira's customers in pushing our solutions, pushing our products and the agentic AI CAR framework.

So we are in advanced discussion with some of the customers. So once that model shifts, the margin correction will automatically happen. And we are also trying to see how much can be delivered from our India office as well. So that will also increase the margin. So these are the 2 strategies that we are working towards the margin improvement.

Varun Shivram: Understood. Sir, do you believe Fortira can be on par with the Indian business when it comes to margin going forward?

Sheshadri Srinivas: That is the target, and it should actually go much beyond the India margin because that's where the money lies. So we are working towards that.

Varun Shivram: Understood, sir. Now my last question would be how would you like investors to think about Canarys as -- whether it's an IT solution company or like an AI platform company because I think valuations for both these companies would be different in the market. IT services companies have been affected quite hard, while AI companies like Alexia, Fractal, etc. they have been decently well received by the market. So just wanted to understand.

Sheshadri Srinivas: We moved from services business at least in the last couple of years. So we were into solutions and now we are into products journey. So we call ourselves as AI-first solutions and product company now. So if you notice, we also have 3 products and flagship product AURYIS, again, built on AI. So we call ourselves as AI-first solutions and product companies.

Moderator: We take the next question from the line of Pragyam Laddha from Omni Management LLP.

Pragyam Laddha: Sir, just one question. What kind of partnership do we have with Claude like you just said? What are we providing them? Or how are we partnering up with them?

Sheshadri Srinivas: So right now, we are at a silver level partnership. When I say silver level, that's a name of the partnership. So let me give you a little detail about what we can do as part of this. So one, we can use the Claude framework delivering the solution. And second, we can also try and sell solutions on Claude. And we can bring enterprise customers to Claude and they would provide us the budget to implement the AI solutions for the customers.

So we are eligible to claim the budget from Claude for implementing the solutions. On the other side, Claude can also use us as the solutions partner to deliver AI solutions to the customers of Claude. So we also work with Claude now in providing these AI solutions on their AI platforms.

Pragyam Laddha: Okay. Sir, how many such partners would be there in India for this kind of working like the silver grade partners, how many would be there? Just an approximation, not an accurate number?

Sheshadri Srinivas: I don't know the number, but I see that not many partners are available. The first partner onboarded in entire India was Infosys. So they were onboarded at a strategic level. And after that, they started working with very niche technology companies like us.

So they are also very, very picky adding partner into their ecosystem. It's not like anybody can apply and become a partner. So you'll have to undergo a lot of case studies and also there has to be so many certified engineers available to even become a partner.

So we did all of this. So we do have certified engineers, and they also certify through their tests and portals. So we have done all of that. So I don't know. I know I'm not answering your question directly, but yes, not many partners available. But -- and also, it's not easy to become a Claude partner. So you can now imagine how many companies can be on their partner ecosystem.

Pragyam Laddha: How much time did it take for us to like pass through all these entry barriers and partnering up with Claude?

Sheshadri Srinivas: We took about 3, 4 months to become the partners. And now we are scaling towards the solutions partners. So another probably next 3 months, we should become next level partner of Claude.

Pragyam Laddha: Okay. So like how many grades are there? Just a follow-up on that.

Sheshadri Srinivas: How many?

Pragyam Laddha: Grades, grades. Like you said, you are a silver grade partner.

Sheshadri Srinivas: I think they do have the solution partner and then they also have the product partners, basically, if companies are creating products using only Claude and promote the models used in Claude. So these are the various types of partners. One is the license seller. That's a basic partnership where the companies can just sell Claude license and then get some kind of commission for that.

The second is the silver partner where we can also work with Claude and provide solution. Then the solution partners where we can drive the solution through the Claude engines. And I believe the product partner is also there, but I can't confirm on that.

Moderator: We take the next question from the line of Vinod, an Individual Investor.

Vinod: I had a couple of questions. So earlier in the previous years, we had some cash flow issues from the domestic business. So I just wanted to check if the cash flow situations have improved, particularly with the domestic business. And do you have any plans for declaring dividends this year or next year?

Sheshadri Srinivas: Thanks, Mr. Vinod. The cash flow, definitely, it is improving, and we have started collecting payments from the customers as well. So cash flow is improving. Dividends, yes, we are deliberating. So we get to know as we reach closer to closing of this financial year results. But yes, points are there in the deliberation now.

Vinod: Yes. Thank you. So as a follow-up, around your IPO time, you had come up with a target of about 10x growth in the next few years. Is that target still intact? And by when do you plan to achieve it?

Sheshadri Srinivas: Definitely, that is intact. And if you have seen the way that we are growing today, the consol figure stands close to INR200 crores. And that also shows that we are growing in multiple x. It's not like the traditional growth of 15%, 20%. When we got listed on today's results, if you look at, it's a multi-x growth, what we have seen.

And we have transitioned ourselves from services to solution to product, keeping the 10x as the end goal. So we are working towards that and pivoting our business from services to solution to product. So this journey, I'm sure will yield to achieve this 10x growth. And we still believe that, and we still discuss these things internally as well.

Vinod: Okay. Yes. One last question. So on the Fortira acquisition, so before the acquisition, I had like seen the numbers, they are kind of mature kind of slow-growing company. Has that changed? Or do you believe the standalone growth will be much faster? What are your views?

Sheshadri Srinivas: No. Standalone definitely, see, standalone, we have been working for the last 3 years, right? So in the transition, and we have done that. So Fortira, we have just acquired last year and the entire last year, we spent a good amount of time, effort, money on the integration part.

So we are concentrating on the Fortira's growth this year onwards. And we can see that Fortira definitely will start growing this year. So both standalone and Fortira, we are targeting to grow together now.

Moderator: We take the next question from the line of Ashok Sharma, an Individual Investor.

Ashok Sharma: Am I audible?

Sheshadri Srinivas: Yes, Mr. Ashok.

Ashok Sharma: Congratulations on crossing the INR100 crores mark in revenue. So my question pertains to the AI-related thing. So now every IT company is positioning itself as an AI-enabled company. So what differentiates our CAR framework from the AI offerings that the larger companies in the sector provides?

Sheshadri Srinivas: Definitely, good question. If you look at any AI, right, I mean, people talk about -- see, there are 2 ways of implementing AI, right? What happens, one, most of the people think that they'll have to revamp their entire technology stack and build new application using AI, then only it works. And thereby, that's the whole reason a lot of large enterprise, they are not moving today.

If you look at the data, less than 3% to 4% of the enterprise, they have the deep adoption of AI. So that shows that there is a big time available. And second, if you look at the CAR framework, what we do here, we don't believe in rip-and-replace, meaning we don't want to really replace the existing system.

So we want to do -- what we want to achieve is harness the existing investment what the company has done and build layer on top of your existing business. So thereby, we say that it's a smartify approach, meaning you don't have to really do anything with your existing application or the investment.

So we bring in CAR framework, which sits on top of your existing, be it the application layer or on the infra layer. Then we smartify the way they operate the business, the way they operate the business model and the applications. So thereby, they just invest on building this smart on top of their existing application and infrastructure. So that's a key difference between the CAR framework and any other new AI implementation.

The reason why we have taken this approach, we've been in the industry for more than 30 years. So we have seen multiple change in the IT ecosystem, IT landscape, so we understand in depth of the applications, infrastructure and how the technology has evolved. So that gives us an edge over other competitors because the new age companies, what they do is they want to build new application using AI, which it's not a rocket science today.

So anybody can build. But can you understand the existing application? Can you understand the existing ecosystem? Can you understand the landscape and build AI on top of it, thereby we smartify. So that's a key difference between the CAR and the regular AI components.

Ashok Sharma: Okay. Okay. Okay. Got it. So just a follow-up on this. So after implementing the CAR framework, how many customers have we commercially adopted? And did we start any meaningful revenues from them?

Sheshadri Srinivas: Definitely. There are already 3 large enterprise customers who are working with us. One in the technology space, the other one is the BFSI space and other one in the pharma. So all 3 enterprise customers, we are working using the CAR framework.

Ashok Sharma: Okay. Got it. So this -- so customers believe then the customers are willing to pay for -- to pay a premium for the AI-enabled delivery and then the faster execution that it delivers.

Sheshadri Srinivas: Correct.

Ashok Sharma: Okay. Got it. And so it's going to remain a niche or slowly probably this particular segment will also become price competitive.

Sheshadri Srinivas: Right now, it is a little premium, but we do not know. I mean, how it evolves, right? Because every new technology, every new change, definitely, we also need to give out our business. But as of now, yes, it is premium. Premium, there are 2 ways of looking at this, right?

One is the premium that you charge, but at the same time, customer will also save a lot of money because customers do not want to pay what they used to pay earlier to develop any traditional application. So they end up paying less, but they end up paying premium. So that's the definition to that.

Moderator: We take the next question from the line of Amit Mehendale from RoboCapital.

Amit Mehendale: Sir, my question was on debtors. Currently, our debtor days are about 150 days. How do you see that going forward?

Sheshadri Srinivas: We are actually seeing good improvement on the debtor side. Probably we can share the new report because after the last year financial results, there has been significant change in the first quarter itself. So we can share that.

Amit Mehendale: Okay. That will be great. And my second question is on the product revenue, like for either for Q1 or for FY26, what was our total product revenue?

Sheshadri Srinivas: Product revenue for the last year, you mean to say?

Amit Mehendale: Yes, correct.

Sheshadri Srinivas: Product revenue, it is not there for the last year. This year, we have started the recognition because last year, we were only developing and did some pilots. So the recognition will start from this year.

Amit Mehendale: Okay. So Q1 do you have for Q1?

Sheshadri Srinivas: Q1, we are working and it's in the advanced stage of signing. When we do this half year results, we would be announcing.

Moderator: We take the next question from the line of Vinod, an Individual Investor.

Vinod: So I just wanted to know like you had launched the new product, AURYIS, right? So how is the traction on that? And what kind of revenues do you expect? Can it become -- can it scale and can it become a meaningful portion of your overall revenue? What are your views?

Sheshadri Srinivas: Thanks for that. Yes, this AURYIS is our flagship product. So we are working extensively on this AURYIS. Definitely, it will change good amount of parameters, be it on the revenue, margin corrections and also on the scale. So since this being a subscription model, so we anticipate some good revenue this year and because any product, it requires minimum 18 to 24 months to get into that scale mode.

This year, our concentration is to onboard a few good logos and do some good penetration into the new logos. But next year onwards, we want to do a deep and volume game. But this year, it is strategic that we want to acquire some good logos and create some testimonials and get some customer voice and then share that in the ecosystem. So that way we are setting the stage for the scale.

Vinod: Okay. So is this mostly for the domestic market or so on?

Sheshadri Srinivas: It is for the international. But we are targeting India and U.S. to start with. So these are the 2 markets that we are working today. But eventually, we want to expand this to Europe and APAC region.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Sheshadri Srinivas for their closing comments. Over to you, sir.

Sheshadri Srinivas: Thanks. Thanks, everyone. FY26 marks the beginning of Canarys' next growth chapter with AI at the core of our strategy through the CAR framework, a growing family of proprietary AI products led by AURYIS, a stronger and more capable team, a culture built for transformation and a strengthened global platform.

We are well-positioned to deliver sustainable long-term value for every one of our stakeholders. Thank you once again for joining us today, and thank you for all the support extended so far. I love to work with you all. Thanks.

Moderator: Thank you. On behalf of Canarys Automations, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.