



To,
The Manager
Listing Department,
National Stock Exchange Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

Scrip Code: **DELAPLEX**

Dear Sir/ Madam,

Sub: Transcript of the Analysts/ Institutional Investors Meeting/ Call on Financial Results for the quarter ended September 30, 2025

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call on Un-Audited Financial Results (Standalone and Consolidated) for the quarter ended September 30, 2025 held on Wednesday, November 19, 2025 at 06:00 p.m. (IST).

The above information is also available on the website of the Company

[https://delaplex.in/wp-content/uploads/2025/11/Delaplex-Transcript-Delaplex-Limited-H1-FY26 Earnings-Conference-Call.pdf](https://delaplex.in/wp-content/uploads/2025/11/Delaplex-Transcript-Delaplex-Limited-H1-FY26-Earnings-Conference-Call.pdf)

Thanking you,

This is for your information and records.

Thanking you,

Yours

faithfully,

FOR DELAPLEX LIMITED

CS Manishraj Bhatt

Company Secretary cum Compliance Officer

Mem No: A63754



“Delaplex Limited H1 FY26 Earnings Conference Call”

November 19, 2025



**MANAGEMENT: MR. NITIN SACHDEVA – MANAGING DIRECTOR,
DELAPLEX LIMITED
MR. DEEPAK JAJOO – CHIEF FINANCIAL OFFICER,
DELAPLEX LIMITED**

Moderator:

Ladies and Gentlemen, Good Day and Welcome to the Delaplex Limited H1 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 “*” and then “0” on your touchtone phone.

We have with us today Mr. Nitin Sachdeva -- Managing Director and Mr. Deepak Jajoo -- Chief Financial Officer.

Before we get started, I would like to point out that some statements made or discussed on today’s call may be forward-looking in nature and must be viewed in conjunction with the risks and uncertainties that we face. The company does not undertake to update these forward-looking statements publicly.

Now I request “Mr. Nitin, sir, to take us through the Opening Remarks” and then we can begin the “Question-and-Answer Session.” Over to you, sir.

Nitin Sachdeva:

Thank you so much. Good evening, everyone. A very warm welcome for joining this Delaplex Limited’s Earnings Call for the Half Year-ended September 30, 2025.

I am pleased to share that H1 Financial Year ‘26 had been a period for us where we focused on execution and strong operational performance for Delaplex.

We delivered solid financial results while making meaningful progress on our strategic initiatives and strengthening our market position across key geographies.

For the highlights, starting with our financial performance:

- We delivered consolidated revenue of INR 390 million, representing a 5% year-on-year growth from INR 373 million in H1FY25.
- Our EBITDA stood at INR 92 million. This is up 13% from INR 81 million in the corresponding period last year.
- Profit after tax came in at INR 72 million, also growing 13% year-on-year from INR 64 million.
- What I am particularly pleased about is our margin performance. Our EBITDA margin expanded by 172 basis points to 23.5%, indicating an up from 21.8% in H1 FY25.
- And our PAT margin improved by 132 basis points to 18.4% from 17.1%.

These results demonstrate our ability to not only grow our top line but simultaneously enhance profitability and operational efficiency, which has been a key focus area for us as management.



The revenue growth of 5% was driven by three key factors:

1. Our expansion in the EMEA region following the Blueberry Systems acquisition is gaining traction, now with the UK entity providing us both revenue contribution and access to European markets.
2. The establishment of our Strategic Consulting Division in Hyderabad has begun generating meaningful client engagements, particularly in the Indian market where we are seeing increased demand for our consulting services.
3. Our BSNL partnership is showing initial traction with paid proof-of-concepts now in progress that we expect to convert to large deployments.

Our revenue mix evolved meaningfully during the half year while our core supply chain services and software development along with cloud services remained stable contributing 43% and 36% of revenue respectively.

Here, our new solutioning business, which includes the micro data center and enterprise solutions contributed 16% of revenue as an entirely new stream that did not exist in the previous year.

The 13% EBITDA growth and 172 basis points margin expansion was achieved through focused execution on three core fronts:

1. We implemented disciplined cost optimization including a 9% reduction in employee cost achieved through cross-skilling and up-skilling programs that reduce both bench cost and better resource leverage through our Blueberry which is a UK entity which helps streamline roles and eliminate duplication across geographies.
2. Operational synergies from our Celestia Crew Consultancy acquisition are improving our delivery efficiency, particularly in supply chain consulting where we have specialized expertise complements our existing capabilities.
3. Third and most strategically important, we shifted our engagement mix towards full end-to end solution engagements.

These comprehensive solutions, particularly those aligned with AI-driven digital transformation initiatives allow us to capture more value and command premium pricing compared to traditional staff augmentation models.

Before we discuss our operational highlights, I want to provide context on why Delaplex is exceptionally well-positioned in the current market environment. We operate at the intersection of three high growth markets:

1. The India IT services market is experiencing robust growth projected to expand from USD37 billion in 2025 to USD57 billion by 2030 at a CAGR of 9%. With EMEA

- enterprises expected to direct USD160 billion towards cloud, AI and cybersecurity investments in Financial Year '26, exactly where we have built deep capabilities.
2. The edge computing and micro data center market where we have established early-mover advantage through our BSNL partnership. Here this is poised for explosive growth from USD428 million to USD3 billion by 2033 at a CAGR of 19.5%, and we are one of the few companies in India with operational edge computing solutions already deployed.
 3. The AI consulting services market presents extraordinary potential projected to grow from USD11 billion in 2025 to USD91 billion by 2035 at a CAGR globally of 26% and even faster at CAGR 30% in India. Our AI-enabled low-code platform from Blueberry Systems UK and our upskilled associates positioned us perfectly to capture this demand.

On the operational front, several achievements during the half year strengthened our competitive position. Our Blueberry integration, which is a 100% Delaplex-owned entity in the UK, progressed well. With this entity contributing INR 9.21 crores in revenue and INR 2.35 crores in PAT during the period.

Beyond the financial contribution, Blueberry has provided us with valuable AI-enabled low-code platforms that are enhancing our service delivery capabilities and reducing development time for clients. The European market access through Blueberry is also opening doors to new client relationships that we are actively pursuing.

Our BSNL partnership for edge micro datacenters has advanced from the pilot stage to paid proof-of-concepts with multiple PSUs and enterprise clients, and we are confident about convergence to full scale deployments for these POCs.

Additionally, we secured a major work order from India's leading oil and gas company and expanded our managed service engagement with a US-based global technology leader with additional orders in the pipeline.

Our partnerships with global IT companies for our MDM platform along with alliances with a few product companies which have SaaS-based solutions further deepen our capability stack. These marquee clients and partnerships validate our technical capabilities and position us well for future growth.

Looking ahead to the second half H2 Financial Year '26, we are optimistic about our growth prospects. Historically, both for the IT services industry and specifically for Delaplex, H1 typically contributes around 40% to 45% of the annual revenues while H2 accounts for 55% to 60%.

This seasonal pattern is largely driven by the US market which represents our largest geography where budget approvals and new project agreements generally materialize from January onwards following the December fiscal year and for most enterprise clients.

For us specifically, beyond this favorable seasonality, the key H2 growth driver will be our micro datacenter and solutioning business.

We are currently progressing with several paid proof-of-concepts with PSUs and enterprise clients and based on the positive feedback and technical validation we are receiving, we expect a significant portion of these POCs to convert to full-scale project deployments in H2 which should contribute meaningfully to our second half performance.

Our strategic priorities for the remainder of Financial Year '26 are clearly defined:

1. We will sharpen our presence in Europe, MENA and the United States by leveraging the Blueberry acquisition's European footprint and forming strategic client partnerships in these regions.
2. We are working on accelerating the development and commercialization for our AI-enabled platforms including our low-code development accelerators and integrated APIs which are already gaining traction in key sectors, such as retail, logistics and workforce management.
3. We will scale our edge micro datacenter platform with BSNL while integrating it with our broader data and AI service offerings to create differentiated high value solutions for both enterprises and government organizations. And we will continue to maximize value from our recent acquisitions through deeper operational synergies, knowledge sharing and aggressive cross-sell and upsell initiatives across our combined client base.

In summary, H1 Financial Year '26 has laid a solid foundation for the next phase of Delaplex's journey.

We have strengthened the quality and resilience of our business through a better revenue mix, sharper cost discipline and a clearly differentiated position at the intersection of IT Services, Edge Computing and AI Consulting.

The integration of Blueberry, the ramp-up of our solutioning business and the progress made in our BSNL-led Edge Micro Datacenter initiative are already reshaping our growth profile in a structured rather than purely cyclical manner.

As we look ahead, our focus is firmly on future growth. We see substantial headroom in scaling our data centers and solutions business as current POCs convert into full-scale deployments especially with PSUs and large enterprise clients.

We are intensifying our efforts to deepen our presence in Europe, MENA and the US to commercialize our AI-enabled platforms and low-code accelerators across retail, logistics and workforce management and to tightly integrate our edge micro datacenter offerings with our broader

data and AI capabilities coupled with continued synergy extraction from our acquisitions and cross-sell across growing base of marquee clients.

These initiatives give us confidence in Delaplex's ability to compound value in a disciplined and sustainable manner in H2 Financial Year '26 and beyond.

I appreciate and thank our entire team at Delaplex for the continued dedicated efforts and all our stakeholders for their continued support and faith in our vision. Thank you all for joining this call and for your time and attention.

The floor is now open for questions. I have with me Deepak Jajoo, our CFO to answer the questions along with me.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Ankit Redekar, an investor. Please go ahead.

Ankit Redekar: Good evening, sir. So, sir, I have a few questions. I just wanted to understand; can you just walk us through the key drivers from the revenue growth for this quarter and which are the geographies or the service lines contributing the most to the revenue?

Deepak Jajoo: So, as you can see, our support from India has also increased. So, as we have partnership with BSNL, our increased revenue growth is majorly from our Indian direct services, which is a growth of 26%. Our solutioning businesses, as mentioned in the call earlier by Nitin sir, is also the primarily growth factor. And the top line revenue is synergy between the acquisition of Blueberry, which has optimized the cost and increased our revenue and increased our top line and bottom line.

Ankit Redekar: So, sir, I just wanted to understand, have you seen any slowdown or acceleration in the client spending, especially in the US and Europe?

Nitin Sachdeva: Yes. With the global turmoil happening, everyone is aware, the client has become more conscious about value-driven spending. So, definitely, we are already prepared for it, and with the low-code platform, we are providing services to those clients, wherein they are getting better value delivered in a short span of time. And yes, to answer your question in simple words, there is a shift, but we have some arrangement internally already prepared, where we are targeting that, yes, we should be able to deliver better value using our new edge technology and the cross-skilling that we have done for our people. So, as a result of this, you see the 9% reduction of what we could achieve in employee cost. It is not by removing people, rather it is by upskilling and cross-skilling them and giving them proper tools, wherein we were able to utilize our existing team members for better delivery. Hope that answers your question.

Ankit Redekar: Yes, got it. So, has any client scaled down due to this micro pressure?

- Nitin Sachdeva:** Yes, it is general business, like scaling up and scaling down, but not a remarkable shift. It is as per the industry standards and the projects complete, they go into support. So, we are a development-focused and a company which delivers value as solutions to the companies, implements things. So, it is normal as per industry, it is not scaling down as significant.
- Deepak Jajoo:** So, just to add to Nitin sir, no associates have left. There is some cost optimization from the clients end, but the number of clients remains almost as similar to the last six months.
- Ankit Redekar:** Okay, okay. And sir, can you give a breakup of revenue in terms of the existing client and the new client addition, I mean, in terms of the revenue growth, can you just break down this existing client and new client addition?
- Management:** So, just to answer that, if we can see the addition of the new vertical, which contributes around 16% is generally through new clients addition only. These are the servicing business and the normal churn as Nitin sir mentioned, but the solutioning business is 100% from the new clients only. I think out of 16%, 15% of 15.5% is all new clients.
- Ankit Redekar:** Okay, okay. What are the utilization rates for this quarter and what are our targets to driving this for the future?
- Nitin Sachdeva:** I did not understand the question actually. Utilization rate for what?
- Ankit Redekar:** In terms of the capacity and all, utilization.
- Nitin Sachdeva:** See, we built capabilities during this half year in micro datacenters and solution business around it, where everything was new in this stream here. We added our expertise for the more than one and a half decade what we were doing in the broadcasting space, in the storage space, in the cloud space. So, utilizing those skills, we were able to solution this and the spare capacity, which was available with us from the people who are already there, experienced with us, we were able to build this new line of the micro datacenters, which aligns with our cybersecurity practice, which aligns with our cloud practice, which aligns with our solutioning practice as well. It is a mix of the utilization. So, in short, if you are asking about the HR capacity, it is around a north of 85% and solutions is new and it is around 50% to 60% of the spare capacity. We give time for people to upskill and cross-skill them as well within the allocated capacity.
- Ankit Redekar:** Okay. Thank you so much, sir, and all the best for the future.
- Nitin Sachdeva:** Thank you so much. These are really motivating questions.
- Moderator:** Our next question comes from the line of Prashant Kale from Star Capital. Please go ahead.

- Prashant Kale:** Good evening. Nitin, sir and Deepak, sir, congratulations on good set of numbers. You and your team is doing a fantastic job. I must appreciate that.
- Nitin Sachdeva:** Thank you.
- Prashant Kale:** Sir, my question is, how much capital do we need to invest in this BSNL-partnered micro datacenter business in FY26 and FY27?
- Nitin Sachdeva:** So, Mr. Prashant, looking to the data centers, historically the data centers have been cost-intensive, a lot of capital goes into the setup of these data centers. We have solutioned these micro data centers in a way wherein we are trying to be very mindful of the initial investment in the CAPEX and the solution are standalone micro datacenters in a small compact format. So, here, like the POCs that we are doing, we are doing the paid POCs for that. And the retail business with which we have partnered with the BSNL, where BSNL is fronting the sales is mostly on the basis of the bookings which will happen for these spaces, the advanced bookings from a confirmed client and then the CAPEX could be involved. Right now, we have four data centers, two at Hyderabad and two at the other different states, where these data centers are invested by us. And they are in early stage. But depending on the business, we will get back to you once we have more business, which has traction and we will update. And we are also planning to have some partnership model after next year.
- Prashant Kale:** Capital cost is just bringing the actual data center cabinet. That is the only cost involved for us, is it not?
- Nitin Sachdeva:** It is bringing the actual data center and also on the operational side, on the solutioning side, like we have to constantly work around. Yes, it is on the actual data center, standalone boxes, the compact boxes, plus the solutions and the softwares which are needed for that.
- Prashant Kale:** And that is the only part in which we invest, is it now, the software and the selling is done by BSNL?
- Nitin Sachdeva:** In the BSNL partnership, yes, they are fronting it, but the solutioning business, so we have to invest our resources and it is a joint selling.
- Prashant Kale:** Okay. So, technical sales is done by you and rest of the parties, money collection and all those things is done, purchase order, all those things are handled by BSNL?
- Nitin Sachdeva:** Yes, that is correct. But it is jointly by team members on their side and our side. And this partnership was announced recently on September 27th at a national level event held at Guwahati.
- Prashant Kale:** Yes. That was really good. And sir, who are the early customers like who has shown interest in this one, for these four data centers, who are the customers?

- Nitin Sachdeva:** There are different set of customers in retail, like there are some enterprises, some government departments, some users, some startups as well, which are there. And for the paid POC, like we have an NDA where the working process is there, we cannot name the clients there openly because of the NDA, because once the POC is complete, so they will have a bigger proposal sent out to BSNL and we will be announcing the same once it happens and progresses.
- Prashant Kale:** Sir, could you please elaborate what is the POC?
- Nitin Sachdeva:** POCs are short demonstrated projects wherein the clients have bigger budgets, but they want to see a small piece of the working functionalities as proof-of-concept. So, we are not doing the proof-of-concepts free of cost. We are also charging for these proof-of-concepts from the end clients because the capabilities are already demonstrated with the existing data centers that we have and the solutions that we have built around it as use cases. So, demonstrating that we get access to proposals for these POCs and we charge for these POCs as well to the end client.
- Prashant Kale:** Great. And sir, what is the revenue contribution from Celestia acquisition in this?
- Nitin Sachdeva:** Celestia acquisition is a strategic acquisition where we had the global workforce management, warehouse automation and the store execution things. So, in the earlier announcements, we have already announced that we work through center of excellence. So, the COEs in supply chain, we wanted some specialized team to manage internally. So, Celestia acquisition was a strategic acquisition in that line where it is being handled at the top level by the experienced leadership which is hands-on on these deliveries on financials. So, that is one benefit what we got from Celestia. But if you are asking in absolute numbers, number wise it would be around 2% which is very less, but we are satisfied with the Celestia acquisition because it is a lot of focus for our other key senior members including me is shifted from those COEs. Now, we are relaxed that the deliveries are in good hands which are internal hands and not consultants.
- Prashant Kale:** Okay, great. That means it was a kind of talent acquisition.
- Nitin Sachdeva:** Rather I would not say talent acquisition. It was a leadership addition with skilled people like some of these people from Celestia are like in some partner companies where we are focusing their attention. So, they were among the top initial hires in those companies on the technical and they were among the top technical functional or domain consultants there in those product companies where we are having partnerships. So, leveraging that we are able to scale up in the new accounts as well from Delaplex.
- Prashant Kale:** Great. And sir, this partnership with California-based global IT firm, how much is the potential from that partnership?

- Nitin Sachdeva:** That number we will share once we grow. But yes, it is a vetting of our capabilities in the cybersecurity and the master data management space which we have clubbed together and we are at the early stage right now with them. The wrappers around the master data management solution are being showcased to prospective clients by them and we cannot comment on the number, but the synergy and strategy building is going on currently with brainstorming on their global market because they have access to global clients. So, getting access to global clients directly is always a time-consuming and cost-intensive thing. So, partnering with other members who have established name with these clients and showcasing our capabilities to these partners and getting a vetting from them where they take our products to the market is a strategic move.
- Prashant Kale:** Yes. Okay. That is like a distribution partner or they act as a big brother in system integration and we supply a small part in the machine?
- Nitin Sachdeva:** Absolutely. We provide specialized solution from our side in their entire offerings.
- Prashant Kale:** Great. Sir, now we are generating a lot of free cash flow. Is there any plan to distribute some dividend in this year?
- Nitin Sachdeva:** This, we will announce once we progress with that. We will check internally and get back to you on this.
- Prashant Kale:** Great. Thank you very much, sir and all the best to you and your team.
- Nitin Sachdeva:** Thank you, Mr. Prashant. It is great to have you on the call and thanks for the questions and discussions.
- Moderator:** Our next question comes from the line of Pujit Agarwal, an investor. Please go ahead.
- Pujit Agarwal:** Hi, Nitin ji, hope you are doing well.
- Nitin Sachdeva:** Yes. Thank you so much for joining.
- Pujit Agarwal:** So, Nitin ji, I just wanted to understand like other income mainly I was just looking at it like, it is mainly through interest, income and FOREX, right, if my understanding is correct
- Deepak Jajoo:**
The foreign currency actuation, which is the major part is to be actually included in the revenue part as well, because we do have forward contracts and FOREX is parallel part of the business as well, because mostly our billing is done in USD and we do hedge our USDs for better rates and contracts.

- Pujit Agarwal:** Okay. So, like, I just wanted to understand, like, I mean, a standalone business, there is a drop of like, let's say around 400 bps in terms of margin, I just wanted to understand, like what exactly is the reason for this if I look at the standalone business.
- Nitin Sachdeva:** This is the exact question which I am getting, like, from every corner on our client side as well meetings, like, what is your strategy to see and check during these turmoil times with global capabilities being expanded by people in AI? So, people in AI, what they do is they are holding the money. They are not expanding, rather on the name of AI, what they are trying is they are trying to enhance their delivery capabilities to the end clients, because we serve people who are having end users as the ultimate beneficiaries of the services. So, I understand your question here. There is some portion of revenue which people want to hold. It is not that they are reducing it, but they want better value there. So, on that, they are not expanding on the team size. When the team size, like, people are completing the deliveries, they are saying that, okay, let us experiment this, let us use automation here. Like, AI primarily is the use of data tools for automation and fast delivery of processes. So, people are reducing a little bit of spending. So, that is the slowdown what you see there. It is not that the clients are moving away.
- Pujit Agarwal** Okay. So, like, I mean, I just wanted to understand, is the, like, inherent base margin, like, intact in that particular standalone business, because the 400 bps drop in margin sequentially seems pretty high. I mean, I understand the fact that on the consol basis, you made up for it, but I just wanted to understand that.
- Nitin Sachdeva:** So, a major portion of it is due to the ESOP expense. This is for around, like, 1,21,800 shares this year, which would be allocated to people after the completion of the 12-months period as per the ESOP scheme that we have. Standalone from the last six months have not dropped. Revenue rather has increased, but additional expenses for ESOP and the solutioning for the micro data center expenses have gone into it. So, that is one major thing which contributes to that 400 bps drop.
- Pujit Agarwal** Okay. Got it. Nitin ji, I just wanted to understand, like, I mean, it is extremely good like, you are rewarding people who have been with you a long time, and they definitely deserve, like, I mean, the reward that you are giving them. But I just wanted to understand, is the nature of ESOP, like, once or should we as investors expect this dilution to continue going ahead as well?
- Nitin Sachdeva:** No, this is the initial ESOP. And then as per the ESOP plan, the second dilution would be less. It would be spread across four years. So, need not worry significantly. This is to make sure that our key people, like, if I talk in absolute numbers, this is 40% in the first year and gradually, it could be less because next four years, we will see only 15%, 15%, 15%, and 15%. And this is only to make sure that our key people who have contributed to the company are rewarded appropriately, and they are retained in the company, so that the expertise that they have built, we have the COEs, we have all the documentation, but you understand that people are the key in any services company. So, we just want

to make sure that those people are with us for long term, and they are motivated as well. This addition is for this year only.

Pujit Agarwal: Got it, got it. So, I just had a fundamental question, I was just doing a lot of research on data, like, I mean, like, all these data centers, so, like, I mean, I just wanted to understand your, like, I mean, the micro datacenter, what exactly is the rack capacity, like, I mean, how many kW is the rack capacity?

Nitin Sachdeva: So, we term it in terms of the virtual machines. It is like it can run on a 3 KVA power backup basically. So, it is not too much. To tell you in simple words, box size is like 4 feet/2 feet/4 feet height. In that, you have all things embedded into it. And the capabilities are like, you can run 450 virtual machines from a basic box. And you can house from 250 terabyte to 9 petabyte of storage in these boxes. So, the current boxes that we have installed are with 250 terabyte of storage. But we have the capability to go up to 9 petabyte in each of these boxes. We call it boxes because we want to market it as a data center in a box.

Pujit Agarwal: Okay, got it, got it. Like, I mean, I just wanted a benchmarking in terms of performance, let us say, like, for example, TCS is adding, like, 110 to 370 kW, which is for like, hyperscalers and large language models. So, I just wanted to understand, like, I mean, what exactly, how do we benchmark our micro data center against that, like, I mean, is the particular purpose of the micro data center something completely separate as compared to what, like, I mean, the mega data centers are coming is like, I mean, I just wanted to clear my understanding?

Nitin Sachdeva: So, these mega data centers are consolidation of space for different clients at one location. What we have is, we have these DelaOne Micro Data Centers, these provide secure, scalable, and high-performance solutions, offering dedicated resources, and the flexibility of virtual servers without the complexities of managing the physical hardware. So, in your company, if you have a requirement for hosting the data or running the virtual machines or giving virtual machines to people across the geographies for your people, you can reliably say that, okay, this micro datacenter is hosted in a physical location where I have the knowledge and here is my data, which is hosted. And if you want to host it in inside your company, that is also possible. So, the announcement for TCS was done along with us on September 27th. So, in micro datacenter, we are the one who were announced with BSNL as a partner, and for large data center, which was like cost-intensive, that was announced in the same protocol event, where TCS was announced as a partner for the mega data centers. So, that is a separate line of business, and this is a totally separate line, and this is with simplified management and with expert support directly being available.

Pujit Agarwal: Got it. So, Nitin ji, in terms of, I understand the fact that you need a secured infra, you need to understand where your data is, particularly in this like, fractured world, if I would say. So, I mean, in terms of like, what kind of revenue, what kind of margin are you particularly expecting from this business, like, I mean, in terms of micro datacenter, like, I mean, like, at a holistic level, are you

seeing it sustainably compound for you in the next four to five years as your POC is materialized -- will it become like 30-40% of our revenue going ahead?

Nitin Sachdeva:

The current target what we are estimating is like from 34% to 40% of the EBITDA. So, it should be contributed by these micro datacenters in the short run. But the market is big, promising. And we are not just positioning these with the PSUs and the government entities, but also with MSMEs and the GCCs, who intend to have these datacenters utilized as a backup as well, and as a disaster storage. Even if they have hosted data services taken from other people, still, like with the cyber-attacks being happening, this is a totally proven cyber-secured data center what we are providing to people. So, additional for security and to host the data, people are targeting that, yes, they need to have the data in their own premises or premises which is secured, what better premises could be from BSNLs, telephone exchanges inside with all the power backup, redundancy, and the dark fiber, everything available from BSNL. So, just imagine a situation where all the transmission lines, the internet gateways outside of India are cut, still, if you are in BSNL mesh network, if your multiple offices are connected in internal BSNL mesh network, you can utilize these as a wide area network, the virtual machines can be local. And revenue upside is huge. Once POCs and other discussions and programs goes through, we will be able to comment and provide the updates accordingly.

Pujit Agarwal:

Got it, understood that. So, I just wanted to understand like on the software side, like I mean in terms of software, like as a service and multiple other products that we are offering to our customers, I just wanted to understand like how exactly is the order book cycle, order book visibility on hand, like I just wanted to understand some details about that?

Nitin Sachdeva:

So, what we do is the contracts that we have are renewed generally year-on-year with people, but the order book is the pipeline that you are talking about, we do not announce mostly on the order books. Our order books are all mostly ongoing and we do not have the software products right now. And we do not provide it as a SaaS solution rather we provide services in the software space. So, what we have done for that is we have the UK acquisition for Blueberry Systems. So, on that we have this AI-enabled low-code platform wherein once the people get onboarded on that platform, there is some SaaS revenue also maintained. So, there is a bigger chance and bigger probability of these people continuing with us for longer-term because their data is hosted on our platform.

Pujit Agarwal:

Got it, understood. So, I mean like I mean in terms of order book or order pipeline or order visibility, I mean like is it possible to disclose a number quarterly like I mean is that something like I mean in terms of current order book or new order wins from new clients, is that possible going ahead as a company?

Nitin Sachdeva:

We are targeting on a solid pipeline but instead of announcing the order book, we are more like inclined towards announcing the achieved numbers, because order books are forward-looking things, rather than that if we announce the achieved numbers that gives us more clarity on actuals what have happened. We are still in the SME exchange. So, we would want to make sure that whatever we

announce it is not too much like of a marketing thing rather whatever we have done on actuals if we announced it on an ongoing basis that would build more trust amongst the investors and thank you so much for being an investor with us.

Pujit Agarwal

Thank you so much. I just had one more question. I just wanted to understand, I was looking at the numbers in the last two years like I mean historically I mean H1 and H2 have been quite parallel or H2 has been worse like let us say in the last year, I just wanted to understand is the nature of the business changing like that is why you are saying that H2 will be stronger than H1 I just wanted to understand your comments in the con call regarding this?

Nitin Sachdeva:

So, generally the industry average and our average as well H2 has been always better. Last year was an exception because of the Blueberry acquisition what we did. We were optimizing the cost and working with the clients for Blueberry. So, that was the reason for H1 being stronger there and H2 a little lower, but like again this year you will see and we are confident with the current things that the H2 would be again back to industry average and we would be doing better... and we are focusing on cost optimization while making sure that the client deliveries are not impacted on that. And also like for the milestone payments like we are shifting from the regular T&M like giving them services on staff augmentation basis to milestone basis on fixed bid projects. So, this helps us with augmenting the team and also having upskilling capabilities for people who are there with us helping the other members coming on board. The milestone-based projects on fixed bid with enterprise clients at year end play a significant role for the second half.

Pujit Agarwal:

Got it, understood. I just wanted to understand like I mean intangibles like are up let us say 2, 2.5-odd crores if I look at the balance sheet. I just wanted to understand the nature of the spend here and like I mean what is the thought process in terms of dealing with intangibles like I mean from an accounting standpoint and like what have we spent like the INR 2, 2.5 crores on?

Nitin Sachdeva:

Sure, absolutely. So, see from the traditional services business what we have done is we have pivoted and there is a plan to pivot to products. But before going to products we are shifting towards productized solutions. So, these are mostly related to those kind of stuff and here if you are specifically asking about the first 2.5 crores according to the generally accepted accounting principles, the global accounting thing, these are mostly goodwill which we acquired for the Blueberry acquisition and the AI-enabled low-code platform and the project tracking tool which is a platform, we are trying to build it while we are serving the customers from that geography, we want to take this product as a SaaS product to be given to other services company and end clients wherein their use will give us SaaS revenue as a product company in the future. So, we acquired these and some part of this is for datacenter as well and the amortization will happen as per the accounting policies in the subsequent years.

Pujit Agarwal:

Got it. I mean it is a very interesting thing, it is a very interesting space -



- Moderator:** Sorry to interrupt, Pujit sir. we will be able to take this as a last question for today. So, sorry for that. With this I would now like to hand the conference over to Mr. Nitin sir for the closing comments.
- Nitin Sachdeva:** So, just to complete what Mr. Pujit was saying, yes, it is an interesting space and we want to go with the model, wherein we do not have to rebuild the solutions and deliver it for the end client rather we will have some USP for our company going forward which will deliver better value. Thank you so much to all the participants who have joined here today and to the people who have asked questions. I know like these questions go a long way in helping us brainstorm internally. We have noted all the questions here. We will definitely look for follow-up questions and follow-threads from these open questions so that the investors' mindset is also embedded in our work going forward. Thank you so much for hosting this call and thank you so much for participating and I really thank my entire team at Delaplex, the global members at Delaplex as well who have contributed to this, and we are confident of a good future together. Any further questions we are happy to take on e-mail. So, our e-mail is mentioned on the compliance portals as well. So, feel free to ask questions through e-mail to us as well.
- Deepak Jajoo:** Thank you, Sagar ji, thank you everyone, thank you Nitin, sir and thank you all the investors for participating in the call.
- Moderator:** Thank you so much, Deepak sir. Thank you so much, Nitin sir. On behalf of Delaplex Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.