Date: 06th June, 2026

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

Symbol: VGINFOTECH, **ISIN:** INE0VRH01015

Subject: Submission of Transcript of Earnings Conference Call
Ref.: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30, read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further to our earlier intimation dated: 26th May, 2026 regarding the Earnings Conference Call of the Company, we hereby inform you that the scheduled Earnings Conference call was held on Wednesday, 03rd June, 2026, to discuss the Company's financial performance for Q4 FY 2026 and FY 2026.

The copy of the transcript of the above earnings conference call has been made available on the website of the Company under Investors' Section. The web link of the above transcript is as under: https://www.vgipl.com/investors_info/investor-analyst-meet.

The copy of the Transcript is also being submitted herewith for your information and records please.

Thanking you,

For **Virtual Galaxy Infotech Limited**

ANJALI VINAY PADHYE

Digitally signed by ANJALI VINAY PADHYE
Date: 2026.06.06 16:22:23 +05'30'

Anjali Vinay Padhye
Company Secretary & Compliance Officer

Encl. As above

"Virtual Galaxy Infotech Limited

Q4 FY26 & FY26 Earnings Conference Call"

June 03, 2026

MANAGEMENT: **MR. SACHIN PANDE – PROMOTER, MANAGING DIRECTOR & CHIEF TECHNOLOGY OFFICER – VIRTUAL GALAXY INFOTECH LIMITED**
MR. AVINASH SHENDE – CHAIRMAN, EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER – VIRTUAL GALAXY INFOTECH LIMITED

MODERATOR: **MR. RUTUL SHAH – ATLAS CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Virtual Galaxy Infotech Limited Q4 FY26 and FY26 Earnings Conference Call hosted by Atlas Capital. 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 this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the belief, opinions, and expectation of the company as on date of this call. These statements are not the guarantee of future performance of the company, and it may involve risk and uncertainties that are difficult to predict.

I will now hand the floor to Mr. Sachin Pande for opening remarks, post which we will open the floor for Q&A. Thank you and over to you, sir.

Sachin Pande: Yes, thank you. Myself Sachin Pande, Managing Director. We are in the FY26 Earnings Call. Good afternoon everyone. And thank you for joining us for Virtual Galaxy Infotech Limited FY26 Earnings Conference Call. Joining with me today are Mr. Avinash Shende, Chairman, Executive Director, and CFO, and Mr. Rutul Shah from Atlas Capital, our Investor Relationship Advisor.

FY26 was a strong year for VGIL. We crossed INR182 crores in revenue for full year, continuing the momentum built over the last two years while sustaining margin consistent with our historical performance. More importantly, the quality of the business continued to improve, with deeper client engagement, growth in recurring revenue, increase in product penetration, and continued traction in international market.

Before discussing the year in detail, I want to briefly explain how we think about VGIL as a company. VGIL is fundamentally a product and platform business, not a traditional IT service company. We own the intellectual property of our platforms, which we have built over nearly three decades.

Our products run critical operations for banks, government institutions, and enterprises daily. This distinction is important because our growth is driven by the platform adoption, product expansion, and recurring relationship, not by merely a linear headcount addition.

As AI reshapes the technology landscape, we believe our positioning further strengthens. AI is not a disruption to our model; it's an enhancement to our products. We already own and deploy these products along with the AI features. We are actively integrating AI capabilities across our platforms to improve automation, analytics, customer engagement, and operational efficiency for the clients.

Our flagship core banking platform e-Banker remains a largest contributor to the business and continue to scale well in future. Today, the platform is deployed across cooperative banks, district central cooperative banks, state cooperative banks, and other financial institutions with over 1,746 branches live on the system. And during the FY26 alone, we have added 97 branches. This is the highest annual addition in the company's history.

A key development that expands our addressable opportunity is the Reserve Bank of India's Scale-Based Regulation framework for NBFCs. Under this framework, middle-layer and upper-layer NBFCs with 10 or more fixed point service units are required to implement core financial services solutions.

The compliance timeline has now passed, and we believe this creates a meaningful opportunity for specialized players with proven BFSI product capabilities like core banking software. To put the scale in this context, India has approximately 350 NBFCs falling within the RBI middle-layer and upper-layer categories.

This is a regulatory-led opportunity that resembles the earlier transition of cooperative banks towards core banking platforms, a shift where VGIL established a strong market position over time. We are actively engaging with NBFCs across these categories and expect this opportunity to contribute progressively to our growth pipeline.

We increasingly see VGIL not as a single product company, but as a platform of interconnected technology solutions operating across large and structurally growing industry verticals. Today, our business is primarily organized across the three strategic segments: BFSI technology solutions, government digitalization platform, and cybersecurity infrastructure solutions.

Importantly, each of these segments independently represent a large addressable market opportunity while collectively creating a strategic cross-sell advantages, deeper client integration, and long-term recurring revenue potential, which we call as SaaS.

Within BFSI, which continues to remain our largest and most strategic segment, our platform includes e-Banker, V-Pay, and e-LOS. These solutions address core banking, digital payments, loan origination, and financial infrastructure requirements across cooperative banks, NBFCs, and financial institutions.

The broader Indian BFSI technology ecosystem today represents a multibillion-dollar market opportunity supported by increasing regulatory digitalization, financial inclusion initiatives, rising digital transaction volumes, and technology modernization across banking institutions. The recently implemented RBI scale-based regulation framework for NBFCs further expands this opportunity set meaningfully.

Within government and public digitalization platforms, our solution includes e-Autopsy, e-APMC, which focus on digital transformation of public systems, administrative workflow, and marketplace infrastructure.

With increasing government focus towards digital public infrastructure, workflow automation, and technology-led grievances, we believe the addressable opportunity within the government digitalization platform continues to remain significant and under-penetrated across multiple departments and institutions.

Our cybersecurity segment is led by CyberSentinel, our SIEM software, which stands for Security Information and Event Management, and cybersecurity platform, which is meant for handling various cyber threats across segments.

We are increasingly focusing on opportunities across government institutions, public sector deployments, and defense-related infrastructure, where the demand for indigenous, scalable, and secure cybersecurity solutions continues to increase.

The Indian cybersecurity market itself is expected to witness strong long-term growth driven by rising digital adoption, data localization requirements, increasing cyber threats, and higher technology spending across both enterprise and government ecosystems.

We believe each of these verticals has the potential to evolve into a meaningful scalable business opportunity independently over time. At the same time, strategic overlap between these platforms creates a strong integrated ecosystem advantage for VGIL.

Our relationship with banks, financial institutions, government entities, and the enterprise allow us to cross-sell multiple platforms within the same client environment, improving the wallet share, increasing the recurring revenue, and strengthening long-term client relationship.

Maharashtra continues to remain a significant contributor to our revenues, primarily due to the structural concentration of cooperative banking institutions within the state. Given that core strength historically has been our e-Banker platform and cooperative banking ecosystem expertise, this concentration should be viewed more through an industry lens rather than purely from a geographic perspective.

The cooperative banking ecosystem in India has historically been heavily concentrated in Maharashtra and a few states, and the other market presence has evolved naturally alongside this industry structure. At the same time, VGIL today has a active deployment across more than 20 states in India, including Gujarat, Goa, Karnataka, Mizoram, and several other states across the eastern and central India.

Internationally, we remain focused on Africa and other developing countries. These regions continue to offer a strong opportunity driven by financial inclusion, digital banking adoption, and demand for cost-effective and scalable banking technology solutions. Over the years, we have completed 13 international banking projects, including five World Bank-funded and supported projects, with deployments across Tanzania, Malawi, and Botswana.

Our platforms are already integrated with multiple African payment ecosystems, which helps reduce implementation timelines and localization complexity. During FY27, we also plan to add operations across additional international markets as part of our export expansion strategy.

Despite the ongoing geopolitical uncertainties across the central and global region, we have not seen any adverse impact so far on our international operations, client engagement, or business pipeline. We continue to see healthy momentum across the target overseas market. Export revenue for FY26 stood at INR11.7 crores, representing 6% of the total revenue.

One of the important strengths of our business model is the increased share of recurring revenue. During FY26, the recurring revenue stood at INR76.7 crores out of total revenue of INR182.1 crores. As our installed client base expands and cross-platform integration deepens, we expect the SaaS revenue to scale meaningfully over the next three years and potentially reach around INR200 crores by FY29.

Across segments, our active bid pipeline today stands at around INR1,000 crores. Historically, our conversion ratio has remained around 20%, which continues to provide meaningful visibility across both existing and new business opportunities.

As we look ahead, our focus remains clear: to deepen our leadership in core banking, expand into the NBFC opportunity, scale international revenue, strengthen cybersecurity capabilities, and progressively increase contribution from the adjacent product platforms.

Based on our current order visibility, recurring revenue profile, expanding addressable opportunity, and execution pipeline, we believe the business is positioned to compound at around 40% plus CAGR year-on-year over the next three years, while maintaining healthy in-line profitability metrics.

I will now request Mr. Avinash Shende to take you through the financial performance of the company. Thank you very much.

Avinash Shende: Thank you Sachin. And good afternoon everyone on the call. I will now take you through the financial performance of the company for the year 2026.

For this year, the revenue from operations stood at INR182.1 crores, reflecting a year-on-year growth of 52%. The EBITDA margin is around 46.2%, that is INR84.2 crores, which is consistent with our historical performance. Profit after tax stood at INR46.1 crores, translating to a PAT margin of 25.3%.

As we continue to invest towards the product enhancement, AI integration, implementation capabilities, export expansion, and participation across the large enterprises and government opportunities, maintaining PAT margin at this levels reflects the inherent strength, operating leverage, and scalability of our product-led business model.

Our focus continues to remain on balancing our long-term business growth and disciplined profitability and capital allocation. One of the important strength of our business is the recurring revenue nature. During the FY26, the recurring revenue stood at INR76.7 crores, which is representing around 42% of a total revenue.

Our client relationships are typically long-term in nature, with contracts ranging between five to seven years, and our churn ratio is less than 2%. This provides strong visibility, revenue stability, and cash flow predictability. As of FY26 close, our unexecuted order book stood at INR111.6 crores, providing healthy medium-term revenue visibility.

As Sachin also informed, our pipeline is large enough to substantiate our future goals and stood at around INR1,000 crores. We continue to see strong inquiry and pipeline activity across core banking, NBFC onboarding, government digitalization projects, cybersecurity opportunities, and international markets.

On the balance sheet side, total borrowing stood at INR39.7 crores as of year-end. ROE stood at 29.6%, while ROCE stood at 34.8%. We remain disciplined in capital allocation and continue to deploy capital towards product development, implementation capabilities, and long-term growth initiatives while maintaining balance sheet strength.

Overall, we believe the company remains well-positioned to capitalize on the opportunities ahead while sustaining healthy profitability and operating disciplines. With that, I will now open the forum for the questions and answers. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Sanket Sadh from Aarth AIF. Please go ahead.

Sanket Sadh: Good afternoon, thank you for the opportunity and congratulations on a great set of results. So, my first question is can you provide a revenue breakup for the FY26 period across core banking, payments, ERP, government, and other businesses? And can you please identify which of these verticals contributed the most in the INR62 crores incremental revenue during FY26?

Avinash Shende: Sure, thanks. We basically break up our revenue sector-wise. BFSI stood at 90%. Our ERP business contributed 9.31%. And e-governance contributed 0.59%. That contributes a total of INR182 crores. Further, we bifurcate it into domestic and export-oriented markets. So domestic market is 93.6% and export market is 6.44%. And again, the SaaS and recurring revenue we report separately, that is 42.1%, which is INR76.64 crores. So this is the breakup basically.

Sanket Sadh: Got it. Thank you, sir. And of the FY26 revenue growth from INR120 crores to INR182 crores, how much came from new client wins versus higher wallet share from existing banking clients?

Avinash Shende: So, for the current financial year, we have added 17 new customers. A total of 17 new clients have been added. In India, INR15.73 crores has been received from these new clients. And from the export market, around INR10 crores has been received from international clients.

Sanket Sadh: Got it. And then the balance was from the existing clients?

Avinash Shende: Balance from the existing client, definitely.

Sanket Sadh: Okay, great. And sir, to reach the INR500 crores revenue target by FY29, which is mentioned in the presentation, what percentage of growth do you expect to come from the traditional banking and payments business versus the newer initiatives?

Avinash Shende: See, basically the BFSI segment is a major contributor to that. And we are trying to cross-sell our products as well as add new customers. We are confident with the pipeline we have. Definitely, we'll achieve the INR500 crores target by 2029.

Sachin Pande: Yes, just to add to what Avinash has informed, within this, BFSI will definitely be a dominant contributor to the revenue. Alongside, we are looking at growth in the other segments, particularly in the cybersecurity and e-governance businesses, which will definitely contribute more than what they are contributing currently.

And in the coming years, with an independent sectorial focus on those businesses, along with dedicated team sizes and revenue generation-related profit centers, we will definitely achieve more from those segments as well. There will be an increase in the percentage of revenue from those segments to achieve the overall INR500 crores target.

Particularly, we are hoping for a larger share of business from the cybersecurity segment because it is sector-agnostic, you can say. It is required across all segments. Of course, from BFSI there will be cybersecurity business through cross-selling, but from other areas like defense, government, and other sectors, the business will definitely grow from the cybersecurity side.

Sanket Sadh: Right. Thank you for explaining, sir. And sir my last question is, out of the INR111 crores order book that we have, how much are we expecting to execute in FY27 and then how much beyond that? And also if you could just bifurcate this order book for me.

Avinash Shende: So, out of INR111 crores, around 60% will be executed within this year. And then there is definitely a new pipeline which will add to the revenue. Because these are unexecuted orders.

Sanket Sadh: Right sir. And can you bifurcate this order book?

Avinash Shende: In what sense, between different segments? Like between the different business verticals that Virtual Galaxy has.

Sachin Pande: Around 90% stands in the BFSI segment right now. It is direct core banking business contribution. Around 90% is in the BFSI segment itself currently because the present concentration of BFSI is around 90%. So these are all existing orders, of which approximately 90% belongs to BFSI, while the remaining 10% comes from other segments.

Sanket Sadh: All right. Thank you, sir. That's it from my end and all the best.

Moderator: Thank you. We take the next question from the line of Mukesh Panjwani from WC Securities. Please go ahead.

Mukesh Panjwani: Yes. Sir, congratulations on the great set of numbers. My question is that the market is currently pricing IT services and software companies based on the concern that AI could compress revenues, margins, and headcount. How do you view AI for your company? Is it a threat that could compress your business, or do you see it as a tailwind, or is it more of a neutral factor for you?

Sachin Pande: It's a great question. Basically AI is a boon and not a curse at all. And it is a tailwind, you can say, because it improves productivity, and the amount of quality improvement that happens because of this, is immense.

So far as a product development company is concerned, there is no harm at all from the AI side because we are delivering products with AI features, which will ultimately enhance product quality, and the ability of customers to adopt those products will definitely increase. And it will boost the business.

Now, coming to the business model, we are a product company with our own IPR. So within those IPR-led products, if you add AI as a feature, then the feature-rich product will definitely be accepted in the market, right? And there is no headcount-based business here.

We never sell staff augmentation services where we offer human resources on a dollar-based or hour-based model. That is not the story here. It is a SaaS company. In fact, there are certain business models wherein we also receive payments in the form of SaaS revenue and outcome-based payments. For example, on a transaction basis, we receive payments as well.

So it is basically well-poised for the AI story. And AI will increase the revenue share of the company, and it will definitely help position the company as a global company in the future. That is what we are looking at. It's a tailwind, to be honest. And all the existing product developers and other resources that we have are well versed with the current AI trends.

They are adopting those trends while developing products. So we are already engaged with various companies offering these LLMs. For example, we have an arrangement for development with Claude as well, and our resources are using Claude while carrying out product development with robust product engineering.

Every product that we are delivering is now an AI-adaptive and AI-ready product. And to address this further, I also want to inform you that we are into agentic AI development. We launched our product, which is an AI agent called Virtual Vani. It is basically a conversational AI that is integrated across segments.

We have integrated it with the core banking software and with cybersecurity as well. And there are a lot of use cases for it. So, just to inform you, it is basically a win-win situation for us.

Avinash Shende: So, I would also like to add here. Basically, AI is an enhancement layer for all our existing products rather than a standalone product. Across all our products, we are integrating AI capabilities for analytics, automation, customer engagement, cybersecurity, conversational AI, and workflow management systems, as Sachin mentioned, to improve efficiency and provide better services to our customers.

So, we are using AI as an enabler and not as a standalone product. And with this, Virtual Galaxy is definitely an AI-first company and an early adopter of AI, providing AI-based services to its clients. This helps clients receive better services and further strengthens client stickiness with Virtual Galaxy. That's what AI brings. So, I'd like to inform you that we are using AI on a large scale to provide better services to our clients rather than treating it as a standalone product. Thank you.

Mukesh Panjwani: Got it. And sir, you have developed several new products over last I think two years. I was going through your website, so there's Transact Core, Finflow, Virtual Vaani, Cyber Sentinel, e-Autopsy. So could you walk us through what is the current status of these products? Are these live or in the pilot stage, under development?

And also if you can throw some light what kind of TAM do you see? And what kind of revenue we can expect from these over next two to three years? Because right now we are much dependent on BFSI segment. So it would be great if you can throw some light on these also?

Avinash Shende: Sachin, can you answer this?

Sachin Pande: Yes, sure. I mean, these products that you just mentioned have been recently introduced, and they are at an early stage and gradually growing. Definitely, they will contribute more in the coming years. And we are very hopeful about various segments. Basically, these products cater to different segments. Some of them are for the e-governance side, while some of them are sector-agnostic. So they will definitely contribute more in the future.

There are dedicated teams on the marketing and sales side specifically focused on generating revenue from these products, so that we can have a meaningful revenue contribution from them as well. Now, we are having, let's say, 90% from BFSI and 10% from other segments.

But definitely, it will improve to somewhere around an 80:20 ratio. Or maybe, we are trying to reach a 70:30 ratio in the coming three years. So, there will be diversification beyond BFSI into other segments as well.

Mukesh Panjwani: Got it, sir. And sir my last question is what is the top line and bottom line guidance for the current year?

Avinash Shende: For current year is that’s already in our script also, we are expected and willing to grow at 40% plus year-on-year for next three years. And our bottom margin remains approximately at 25% for next three years, which we are historically maintaining also. So you can take that as a guidance, around 40% plus we are growing as a CAGR and 25% is the bottom line.

Mukesh Panjwani: Okay. Thank you, sir. I'll come back in the queue.

Moderator: Thank you. We take the next question from the line of Garvita from Seven Islands PMS. Please go ahead.

Garvita: Hello, hi. Good afternoon, sir. I have a few questions. First of all, as you have told that you have added 17 new customers in FY26, request you to please highlight any marquee clients, name of some clients, if possible, sir?

Avinash Shende: Giving the name some clients?

Garvita: Yes, just a few clients to get a flavour of the how large the clients are.

Avinash Shende: With respect to BFSI, we have two state cooperative banks. One is the Goa State Cooperative Bank, another is the Mizoram State Cooperative Bank. Then we have 10 district central cooperative banks within Maharashtra, the one bank each district. So 10 districts we have covered, 10 district central cooperative banks.

Then in export market, we have Malawi Agriculture and Industrial Corporation, which is a subsidiary of Reserve Bank of India.

Management: Reserve Bank of Malawi.

Avinash Shende: Then we have Botswana which is again a Botswana Government Corporation. And few World Bank projects have been already completed by us. This is a mix, including Government of Maharashtra is also our client. These are the major and highlighted clients.

Garvita: These are some of them that you have mentioned are already our existing clients. I'm asking out of the new 17 clients which we have added, if you could name a few?

Avinash Shende: So, Botswana Development Corporation is a export-oriented client, which is Government of Botswana. Then few World Bank projects within Maharashtra state, like SMART project is running in the state of Maharashtra, through which we are providing MIS software for animal husbandry and retro marketing as well. And few other

Sangli Urban Bank, which is a scheduled commercial bank. These are the major clients which has been added.

Garvita: okay, sir. And so majorly new additions has been done in the BFSI segment only, right?

Sachin Pande: Yes.

Garvita: The next question is about the cash flows, sir. Do we expect our net cash flows to turn positive in FY27?

Avinash Shende: Yes, definitely. So, since major revenue has been booked in the last quarter of the financial year, so it will get realized in this quarter. So, you are finding a gap over there. Otherwise it is time-related impact, not a reflective of any underlying business performance. So business remains strong, and everything is there. So it's a impact of last quarter billing basically, which is definitely once billed, it's around 60 to 90 days cycle is always there.

Garvita: Okay. One more question is on the cash flow side, sir. Highlighting the cash flow statement entry, which I see one is in the tangible assets. So we have recorded increase of INR109 crores in the tangible assets. Could you please explain what this increase pertains to in the tangible asset?

Sachin Pande: Yes. So I mean BOT projects, INR60 crores, then the data center and others, there is a INR35 crores. And for the GPU, it is INR5 crores. So that is basically the bifurcation of the tangible, totalling INR100 crores.

Garvita: All right, sir. Those are my questions. And we remain aligned to our guidance of INR250 crores approximately for FY27, correct?

Avinash Shende: Yes.

Garvita: Okay, sir. Thank you so much, sir.

Moderator: Thank you. We take the next question from the line of Het Ghorecha from Fintura Investments. Please go ahead.

Het Ghorecha: Hi, good afternoon. Thank you for the opportunity and congratulations to the management on the great set of numbers. So, sir, I went through the presentation and it was very well-prepared, and it got most of the questions answered. But sir, I have few questions. So, first question is sir, what according to you, you have the guidance of 40% around CAGR for next 2-3 years, right? So what are the key growth drivers that the management is focused for FY27 and FY28, sir? Can you please guide me about that?

Avinash Shende: So the growth strategy basically center around our the flagship product core banking and BFSI technology solutions. We are scaling those products and again the new products which are being there, we are cross-selling to the existing customer and those products are customer-agnostic, BFSI-agnostic are also willing to deploy through various government and private sector like CyberSentinel.

And also international expansion across Africa and developing countries is also there, which is one of the important growth driver, supported by existing implementation experience because we have 100% ready with the payment integration and API integration within the Africa as well. So it's a mix of all existing and a new client with more focus on cross-selling the products, new products, and adding a new customer with the customer-agnostic products like Cyber Sentinel. Sachin, you want to add something?

Sachin Pande: Yes, sir. I mean the basically the product mix which we have, it becomes a integrated solution from one vendor where the developing countries and the cost-conscious customers where they are looking for a combined solution from one entity with the total cost of ownership which is better for them. We stood better, that is the main growth driver.

The other is the advantage of this geopolitical crisis, rather it will be a boon for us because now every nation wants to have a solution which is kept in their own premises rather than accessing from the bigger cloud companies which are mostly multinational. We also put those kind of arrangements with them.

And here in India specific also, this business is self-reliance, in terms of technologies also considered to be another growth driver for homegrown IPR-based companies. There we are getting good business advantage. Thirdly, the increase in the penetration towards the each and every citizen in terms of the digitalization which is called digital transformation.

So the payment ecosystem is again propelled across India to various sections of the society. There also the role of BFSI through the digital payment is very much imminent and that becomes a growth driver again for us. This is what I would like to submit.

The other geographies where the same challenges they are also facing, we become a dominant player wherever there is a requirement in the developing nation. So most of them are willing to get such solutions which are deployed on their cloud running across the nation and making their society in general as a digital society. These are the the growth drivers. I hope I satisfy most of your queries.

Het Ghorecha: Yes, sir. It was very clear. Sir, one follow-up question for this. Like, could you share your outlook on operating leverage and margin expansion as the business scales over FY27 and '28, sir?

Sachin Pande: So margins remain same as we have given the guidance. It is the business we are willing to grow at around 40% plus and margin bottom line remains 25% approximately. That is the same. The margin is not going to increase or decrease much basically. We are operating on the 25% of PAT margin.

Management: So to add this, I would like to suggest to you that we are more hungry for getting the volume in terms of the top line, at the same time maintain the same profitability. That is what the idea going forward rather than simply putting our efforts of just increasing the margin because you will have to negotiate and at the same time get more business, spread over more geographies.

So that is the mantra where we will stand increasing the top line, bottom line will follow in the inline manner which we are maintaining as a past experience. So this is what the idea of going further and the business scope is also big. You can see that it has to be addressed, let's say 1,500 co-operative banks are there, 300 district central co-operative banks are there, now 350 NBFCs which are likely to shift from general products to the core banking products.

Then roughly around 1.5 co-operative societies out of which 25,000 co-operative societies are well poised for going for this core banking sort of business, providing at-par services to their customers like a bank. So there also we are offering our solutions. This is only in India.

If you go in the developing nations, there are lot of development corporations, the banks and the MFIs, they call SACCOs in Africa. Lot of business, I mean, we have to approach and get that business. That is what the mantra is, keeping maintaining the margin where we are basically right now. So this will in general increase overall wallet automatically because of the top-line increase, bottom line will follow.

Het Ghorecha: Okay sir. Got it, sir. Thank you so much for your answers.

Moderator: Thank you. We take the next question from the line of Raj Dalal from Dalal Finvest Advisory. Please go ahead.

Raj Dalal: Hello sir. Thank you for giving me the opportunity. Sir, I have a few set of questions. So my first question is, will you please share the current fraction and pipeline trends in the NBFC and MFI segments?

Sachin Pande: Yes, I mean we are on it. What we said in the pipeline of INR1,000 crores around which we discussed no, there is a pipeline within that. It is not segregated as such right now, but there is a definite pipeline in which we are trying within that segment also. Of course it being it is a new market for us, there will be a new opening, but obviously it will take certain time, right?

Raj Dalal: Yes, sir. Could you elaborate on the cross-selling opportunities across our business verticals in banking, AI, or cybersecurity solutions?

Sachin Pande: At present it is like we said, the majorly business is coming from BFSI, but there are separate teams to increase the business footfall from the other segments as well. So, I mean out of the opportunities which we are looking for, it's basically you can say most of them are from the banking segment no doubt, but we can bifurcate it let's say 70-30 the opportunities 60% to 70% from the BFSI segment and remaining from the government and the cybersecurity side.

And combine these both cybersecurity and BFSI is around more than $500 billion market worldwide. So we are just 0.01% targeting, not more than that. That also suffice our purpose, which we are willing to grow at 40% plus.

Raj Dalal: Okay sir, one last follow-up question. So what are the key factors, like that enable VGIL to compete against the big players in the BFSI sector?

Sachin Pande: Right, right. So I mean there must be a differentiator within your ecosystem developed compared to the giants which are there. Although they have occupied the space particularly in the bigger banks and the bigger NBFCs probably, but there are lot of players I'm saying that in the horizon which is basically within India, out of India particularly in developing countries where you can increase your footfalls, grow more and then further compete them. That is the idea basically.

Because if you are putting your efforts only wherever they are already in presence, doesn't make sense. Rather if you compete fresh where they are also competing and the customers, maybe outside or where the customers are looking for the cost-effective as well as the new-age technology-based solutions where the AI is a differentiator, the blockchain is a differentiator, we can play a better role. And that way we can compete with the bigger players.

In fact, there are certain areas where we are having specific differentiator in terms of the implementation strategy, service and through which we got two orders earlier where we replaced the Infosys product from the DCC segment. Doesn't mean that their product is bad or ours is only good, but there are certain things where we fit better, which we will see to it that how it can be leveraged.

Raj Dalal: Okay, sir. Got it. Thank you, sir. All my questions have been answered.

Moderator: Thank you. We take the next question from the line of Mukesh Panjwani from WC Securities. Please go ahead.

Mukesh Panjwani: Yes, sir, my question was almost answered. Just I would like to extend the question. So my question is given the surge in like cyber threats post this Anthropic mythos, how is CyberSentinel positioned? What is the TAM and what kind of revenue do you see in next two to three years just from this particular product?

Sachin Pande: Yes, I mean I said earlier also in my explanation that there will be definitely surge in the opportunities and business from the CyberSentinel side, particularly, cybersecurity solution which we are offering. The threats, the geopolitical tensions, that all contributes a growth of the business. And apart from this, Mythos which you mentioned, every business entity is now looking for the solutions, somehow they would like to protect.

There are lot of threats apart from that, which are coming from the hostile countries also. And because of which this has to be protected. The challenges are also there from the quantum kind of attacks based on which the Yes, so those quantum kind of attacks has to be so there will be some quantum-based security which as a differentiator we have implemented right now in our product.

So these are in nutshells which we are offering and it will definitely boost the business. The contribution I said that in near future, let's say 70-30 instead of now it's 90 which is mentioned, or it will be 70-30 definitely in coming years where 30% is revenue which is coming from the other products which has got a major share particularly from the cybersecurity solutions.

Mukesh Panjwani: Okay. And on ground do you see the inquiries coming for this particular product?

Sachin Pande: Yes. I mean we bid also, there are lot of bids which are there in those pipeline which we mentioned. And we are hopeful that we will get good response and the business from the market.

Mukesh Panjwani: Very interesting, sir. Thank you.

Moderator: Thank you. We take the next question from the line of Khushi from Bhanu Fincorp. Please go ahead.

Khushi: Yes, hi. Congratulations on the good set of numbers, sir. I just wanted to understand the purchase of stock-in-trade lineup a bit better. Could you help us understand what's typically included here and how we should think about this cost as the business grows?

Sachin Pande: Look for this solution as a SaaS model, which is called Hybrid Integrated SaaS. And it comprises all the hardware and software as a combination. And that becomes a hybrid integrated solution for the customer wherein they want to just plug and play and run the product.

In which we cover this cloud infrastructure, the servers, the racks then your routers, switches, and firewalls combining with the cybersecurity solution and our application product of that particular segment may it be BFSI or e-governance sort of. And then this entire deployment is offered to the customer as a hybrid integrated SaaS.

Khushi: Yes. So thank you for this. Also another question is that on the product and software side, how do you think about capitalizing these investments versus taking them through the P&L?

Sachin Pande: So I mean, it is based on order-to-order, certain projects has been capitalized particularly, and the certain are based on their categorization they are considered under P&L.

Khushi: Okay. My last question is that as you look at the business over the next few years, where do you see yourself, where do you see most of the capital being deployed?

Avinash Shende: Capital has been deployed to enhance the product, add new capabilities, and building an infrastructure for an ecosystem to serve the client. These are the major areas where the capital has been deployed in the coming year, like creating a data center for a client for our in-house client, enhancing the product, adding the AI capabilities and adding the more stack to the product. These are the major areas.

Khushi: Okay, got it. Thank you so much.

Moderator: Thank you. We take the next question from the line of Ayushman Thakkar from 18U Advisory. Please go ahead.

Ayushman Thakkar: Good afternoon everyone and congratulations on the stronger quarter. So my first question is on the client relationship. So as a company grows, we see that where do you see the biggest opportunity to deepen engagement with existing customers? And like to increase the revenue from the current client base?

Sachin Pande: So, with respect to client relationship, so what happens in our case that we develop the product, then we give the product to the customer, all other related development of the product, implementation of the product, then servicing of the product, entire things has been catered by our own in-house resources.

And that's why the relationship with the client is very sticky and deep relationship is always there. That is why we got less than 2% churn ratio and also client gives us the repeated business for all other new products and new add-ons which we have developed. That is what the main company's strength.

Ayushman Thakkar: Understood, understood. That's helpful. And I had the one follow-up question from my side on the international business. How should investors think about the export opportunity over the next 2 to 3 years and will it have a meaningful larger part of the revenue mix going forward?

Sachin Pande: Definitely, we are very bullish on the international expansion. Since we have a very strong presence and the product is also matured in the African countries, so we are willing to add more number of African countries as well as developing countries to our portfolio. And our international team is also working very hard to do the business. And definitely we are willing to grow from 6% to around 20%-25% in near future down the line. So, this will be definitely adding good revenue to the company's top line and bottom line both.

Ayushman Thakkar: Understood. This is really helpful and all the best for the future.

Sachin Pande: Yes, thanks.

Moderator: Thank you. We take the next question from the line of Sanket Sadh from Aarth AIF. Please go ahead.

Sanket Sadh: Yes, thank you. I have one follow-up question, sir. So we had diverted our objects of the issue from the IPO to spend more on the soundbox business vertical. Can you please highlight what is the update on that side of the business, how have we progressed?

And from channel checks which I have done in the past one or two months, I was able to also find out that the dynamics in this particular part of the business have changed for your competitors as well. So if you could kindly guide us how long it will take for us to execute in this part of the business before revenue starts flowing?

Sachin Pande: Yes, I mean this is basically to be honest is covered in our BFSI and the digital payment side only. So this has been covered in the pipeline and what we discussed. We are having certain differentiator, which we work out now for enhancing and getting more business from this soundbox and UPI QR-based acquiring payment acquiring side.

So in this what we are offering is basically the soundbox wherein the on the QR side if the merchant is receiving the payment, same day the payment will be settled in certain cycles which the other peers are not offering. They are offering T+1 solution. And we are also in working with certain other financial institutions to offer them certain lending kind of features which usually the other peers are offering.

So in nutshell we are expecting a good business in coming year from this same segment also because this is a requirement from the existing banking customers wherein they are actually the major loser in terms of the CASA due to these particular their own merchant customers who are right now using the soundboxes of other players like Paytm and other PhonePe's and all.

So the banks want to maintain the healthy relationship with their merchants by offering the soundbox through technical solution provider like us and we are offering through them, which will make sure that quickly we can expand.

Sanket Sadh: Sir, can you please tell me till date how many financial institutions have we tied up with so far for the soundbox business?

Sachin Pande: The process is going on. But the current ideation related to the same day transaction settlement that has been done as a differentiator it has been added within the technology portion. The other institutions tie up and all that is going on as a process.

Sanket Sadh: Sounds good. Okay. Thank you, sir. That's it from my end.

Moderator: Thank you. Ladies and gentlemen, with that we conclude the question and answer session. I now hand the conference over to the management for their closing comments.

Avinash Shende: Thank you everyone. Thanks for the opportunity to present our company's performance and we have tried to answer as many questions as possible from our end. Hope we have successfully given all the satisfactory answers from our end.

If anything has left behind, all of you are most welcome to Virtual Galaxy. We request all, if possible visit our facility, visit our office, and have a more detailed discussion. So we are happy to host all of you. With this, I thank everyone, thank Rutul-ji, thank Sachin-ji. Thank you everyone and have a good day. Thanks.

Sachin Pande: Also I would like to thank all the participant investors. We, as a hybrid integrated SaaS product-based company, willing to expand with all the geographic globally with strength-to-strength, with the product portfolio enhanced with the AI capabilities and we are here to stay, here to grow, and expand our horizon.

Like Modiji said, local to global, this is what the mantra and we are willing to expand with the help of all the investors as a Bharat ki company, Bharat ke saath aur global ke bhi saath. This is what our mantra is. Thanks a lot for giving your precious time.

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