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November 05, 2024

To,
Corporate Relationship Department
BSE Limited
P.J. Towers, Dalal Street
Mumbai — 400 001

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor Plot No. C-1,
G-Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400 051

Scrip Code: 532875

Scrip Symbol: ADSL

Sub: Transcripts of Conference Call pertaining to Financial Results for the quarter and half year ended September 30, 2024

Dear Sir / Madam,

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are submitting the Transcripts of Conference Call held on Tuesday, October 29, 2024, in respect of the financial results for the quarter and half year ended September 30, 2024.

The same can also be viewed at <https://www.allieddigital.net/in/earning-conference-call>

This is for your information and records.

Thanking you,

Yours faithfully,

For Allied Digital Services Limited

Nehal Shah
Whole-Time Director
DIN: 02766841

Allied Digital Services Limited

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Allied Digital Services Limited
Q2 & H1 FY2025 Earnings Call Transcript
October 29, 2024

Call Duration	<ul style="list-style-type: none">• 41 minutes and 09 seconds
Management Attendees	<ul style="list-style-type: none">• Mr. Nitin D Shah, Founder, Chairman & Managing Director• Mr. Nehal Shah, Whole-time Director• Mr. Paresh Shah, Global CEO• Mr. Ramanan Ramanathan, Global Head Strategy responsible for Growth, Innovation and Partnerships• Mr. Gopal Tiwari, Chief Financial Officer
Participants during Q&A session	<ul style="list-style-type: none">• Athar Shadab – Individual Investor• Piyush Dabra – LT• Pratik Dedhia – Individual Investor• Manan Vandur – Wallfort PMS• Shweta – Arihant Capital Markets Ltd.• Sameera Middha – Individual Investor• Kartik Bhatt – Individual Investor

Moderator: Ladies and gentlemen, good day and welcome to the Allied Digital Services Limited Q2 and H1 FY '25 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 this conference, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mayank Vaswani from CDR India. Thank you and over to you, Mr. Vaswani.

Mayank Vaswani: Thank you, Dorwin. Good afternoon and thank you for joining us on Allied Digital Services Limited's earnings call for the Second Quarter of Financial Year '24-'25.

We have with us on the call today, Mr. Nitin Shah, Founder and CMD, Mr. Ramanan Ramanathan, Global Head of Strategy for Growth, Innovation and Partnerships, Mr. Nehal Shah, Whole Time Director, Mr. Paresh Shah, Global CEO and Mr. Gopal Tiwari, Chief Financial Officer.

We will begin with Mr. Nehal Shah who will cover recent developments across the business. Mr. Paresh Shah will then cover the operational performance and order wins followed by Mr. Gopal Tiwari who will walk us through the financial highlights. Thereafter, we shall open the call for the Q&A session.

Before we begin, I would like to point out that some of the statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings documents that have been shared with all of you earlier.

I would now like to hand the call over to Mr. Nehal Shah for his opening remarks. Over to you.

Nehal Shah: Thank you, Mayank. Good afternoon, everyone and thank you for joining us for earnings calls today. I hope you have had a chance to review the earnings documents we shared earlier.

I am pleased to report that despite ongoing geopolitical uncertainties in a challenging global economic environment, we have delivered a strong set of results this quarter. We achieved growth in both revenue and

profitability compared to the same period last year, driven by the strong momentum in the Indian market.

A key highlight this quarter is the pickup of order wins. In prior quarters, we had indicated that discussions with customers were positive, but there were delays and deferments while finalising orders. We are pleased to share that we have booked multiple orders this quarter aggregating Rs. 675 crore representing strong accretion to our order backlog.

To begin with, the Rs. 430 crore Pune Safe City order is our largest ever order win for our smart city offerings. The first ever order win in UAE is heartening too from a BFSI customer. I am sure that all of you have noted the multiple order wins with a diverse set of customers and geographies this quarter. We take confidence that a rich profile of customers chooses to depend on Allied Digital for their critical requirements.

The outlook remains positive. We are in advanced discussions with several new customers. We have also strengthened our leadership team and expanded our global office network to support future growth.

Now I would like to hand over to our Global CEO Mr. Paresh Shah, who will provide further insights into our operational performance and key developments this quarter. Thank you.

Paresh Shah:

Thank you, Nehal. Good afternoon, everyone. Here is a quick summary of the operational highlights for this quarter.

As Nehal pointed out, it has been a great quarter. Allied Digital secured over Rs. 675 crore in new orders and contract renewals this quarter. So that's wonderful news. Key wins include, let me just walk you through some key wins:

- A leading life insurance company in India with 46 million customers across 148 cities where we will provide them complete infrastructure management services.
- The world's foremost specialty packaging company serving major FMCG brands globally has chosen Allied Digital for a complete transformational infrastructure management service which includes NOC, SOC, Digital Desk platform and our Workplace services.
- A global leader in the energy sector specialized in oil, gas and petrochemicals has selected us to deliver their infrastructure services comprehensively.

- An Indian public sector enterprise under the Ministry of Power where we will provide infrastructure and cloud solutions.
- India's Central Bank responsible for regulating the bank system has engaged us for application support services.
- A Regulatory Authority in Maharashtra dedicated to promoting healthy growth in the real estate sector has engaged us for infrastructure and Service Desk opportunity.
- A prominent aluminium refinery in Odisha – where we will be providing digital desk and digital workplace services.

As Nehal pointed out, let me talk about other opportunities outside India. The largest bank in the UAE, a leading financial institution has selected us as their total IT outsourcing provider encompassing digital workplace services, end-user support, data center support and critical infrastructure management services.

I would like to highlight one of the large US offerings also. A global leader in silicon carbide and gallium nitride technology in the chemical industry serving sectors like electric vehicles and renewable energy where we are delivering 24/7 global service desk, end-user support and command center operations including cybersecurity services. So that's another win.

These contracts reflect our continued growth and expanding capabilities across diverse sectors as well as encompassing all sectors of our offerings.

Now I will hand over to Mr. Gopal Tiwari who will share the financial updates during the period under review. Over to you Gopal.

Gopal Tiwari:

Thank you Paresh bhai. Good afternoon, everybody. I am sure all of you must have gone through the financial performance of the company for Q2 FY '25. Hence, I would like to highlight some of the key developments regarding the financials and governance.

I will start with other expenses. From the financials it can be seen that other expenditures have increased from Rs. 14.2 crore in the Q1 FY '25 to Rs. 17.5 crore. This increase is mainly on account of an extra provision for ECL of around Rs. 2 crore based on our ECL policy and expenditure of around Rs. 1 crore incurred towards Pan-India celebration of our company's 40th anniversary.

As is evident both these expenses are non-recurring in nature. Despite this increase in other expenses, we have reported an EBITDA margin of 11 plus percentage in this quarter.

Now moving on our cash balance as of September 30, 2024, has increased to Rs. 170 crore from Rs. 99 crore in September 2023. Against this gross borrowing is to the tune of Rs. 55 crore only higher from Rs. 43 crore in the same period last year, primarily due to increase in working capital requirements for project execution. Hence on a net basis our net cash balance has risen meaningfully to Rs. 115 crore.

Another important metric that I would like to cover is the improvement in debtor days. Our DSOs continue to improve further, and we are at 72 days as of September 30, 2024 compared to 87 days at the same time last year. We will continue to make efforts to further improve on this.

Recently we have added Bank of Baroda as our third banking partner to meet our enhanced working capital requirements. While we remain adequately capitalized as indicated by our present net cash balance, we felt it prudent to ensure the necessary financial flexibility to cater to operational requirements.

Now as you are aware, M/s. Singhi & Company one of the leading audit firms in India was appointed as our statutory auditors at our last AGM in place of M/s. Shah & Taparia who had completed their maximum permissible tenure with us. The limited review reports for the Quarter 2 FY '25 results have been issued by them only. Further to inform KPMG remains our auditor for transfer pricing reports ensuring that we engage with leading names of both global as well as domestic heritage.

Thank you. I will now hand over it to the moderator to open the forum for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Athar Shadab, an Individual Investor. Please go ahead.

Athar Shadab: Hi, sir. Congratulations on a great set of numbers. I have two questions. There has been a slight dip in the margin this quarter year-on-year. What is the management commentary on that? Especially, I could see the expense rising in purchase and other direct expenses. What it is about?

Second is that now we have crossed Rs. 200 crore revenue mark in this quarter. Do you want to revise the guidance of Rs. 1,000 crore revenue? Can we expect it now in FY '26?

Nehal Shah: So, thank you Athar for the question. I will answer the second question. The first question will be taken by our CFO, Mr. Gopal Tiwari. Regarding our guidance, we have been giving our guidance in Rs. 1,000 crore for the year '26 and we feel in the next six to seven quarters, we should be able to reach our top line guidance of Rs. 1,000 crore. In respect to the margin dip which is very periodical only for this quarter.

Gopal Tiwari: As explained in my speech, this is mainly because of certain expenses of non-recurring nature which we incurred in this quarter, mainly on account of, as I mentioned, ECL provision, which is only provision made. It might be getting reversed in the coming quarters. And secondly, one-time expense we have incurred for our celebration of 40th year in the organization.

So, because of that margin was a little thin, but still we have achieved an EBITDA margin similar in line with our earlier quarter. So, had those expenses been not there, the EBITDA margin would have been a little better.

Athar Shadab: Last earning calls, we had a guidance of reaching 15% in near future. Is it still on track like we are targeting that?

Nehal Shah: Yes, that is still on track, but it is going to take some time because right now our focus, we would want to make sure that we are getting the customers, we onboard them. And while we are onboarding new customers, you know, whenever you acquire a new customer, there are upfront costs that you have to pay. And that sometimes reduces your margin a bit, but in our line of business, the best part is that we get customers who stay with us for another five years, seven years.

So, we have got a lot of time to improve our margins once we go in the second year or after three or four quarters that we start with them. So, that margin growth is our need, and we also would want to achieve that and we hope to do that soon.

Athar Shadab: Got it. Thank you, sir. Congratulations again.

Moderator: Thank you. Ladies and gentlemen, the next question is from the line of Piyush Dabra from LT. Please go ahead.

Piyush Dabra: Hi, good evening, everyone. First of all, congratulations to the ADSL team for the great set of numbers for the Quarter 2. And my question is on the front of Cyber Security space. How is ADSL planning to move ahead?

What is our business outlook for the next maybe three or four quarters and what all revenue and what all funds we are expecting our business to come from only in the Cyber Security space?

Paresh Shah: Yeah, from the Cyber Security space, this is Paresh here. We see a lot of exciting opportunities. As you know, this quarter also we closed a couple of deals on Cyber Security, which we see there is a continuing demand, and we are also growing in our customer's logos and we see that sector growing more and more over time. So, we are excited about this, and we have a very strong outlook on cyber security.

Ramanan Ramanathan: Yeah, just to add to what Paresh is saying, Cyber Security is now becoming an integral part of Managed Services more and more because that is expected now by almost all the customers since Cyber Security is so prominent.

And the other part is we are into safe city projects and smart city projects. And safe city and smart city projects by their very nature include more and more Cyber Security. So, not only our competency in this is increasing, but we are also investing appropriately for us to be able to grow in this region and to make a difference to our customers.

Nitin Shah: So, I would like to add the third-party organization like Equity Masters. Recently, they published their study and research. They have selected and they talked about three main companies to be observed in India in Cyber Security space and we are one of them. This is from Equity Masters.

Nehal Shah: Piyush, am I audible? Are we okay with the answer?

Piyush Dabra: Yes, sir. Thank you, sir. Thank you for your comments.

Moderator: Thank you. The next question is from the line of Pratik Dedhia, an individual investor. Please go ahead.

Pratik Dedhia: Thanks for the opportunity and congratulations on a great set of numbers. So, my question is regarding the margins. So, what levers do you see going ahead in terms of improving? What parts would lead you to around 15% margin? And for the current quarter, since the margins came around 11%, any specific factor that you can point out which resulted in a muted year-over-year margin?

Nehal Shah: So, Pratik, thanks for the question. I think the current quarter, the margins, Gopalji has already answered about it. Having said that, there is a constant endeavour for us to improve our margins and we are working

towards it. If you see, we have improved a lot of our parameters. Parameters like DSO going from 87 coming down to 72. Our ROC has also started going up. We are back to double digit.

Similarly, there are other things also. If you see our cash reserves and all are also growing day by day, quarter by quarter. So, there is a constant endeavour that we have to make sure that we keep on improving our margins.

I personally would, as a promoter, would also want the margins to be as better as possible. We are doing whatever we can, and we will strive harder to make sure that our margins keep on improving with future quarters.

Pratik Dedhia: Okay.

Paresh Shah: Just to add to what Nehal talked about, we are also engaging more into app support. We have an AI roadmap. So, we see that there are better margins also to be looked into areas where we can flourish more. So, these are the areas that we are quickly catching up and looking at those kinds of projects also.

Pratik Dedhia: All right. So, just to confirm, you mentioned AI, right?

Paresh Shah: Yes.

Pratik Dedhia: Okay. Got it. All right. And I have a second question regarding the data centre part. So, I think last quarter I had asked about in terms of how is that business going. So, just during the quarter, how was the traction pertaining to it and what kind of offerings have you or probably what kind of business have you gotten in terms of the data centre offering?

Nehal Shah: Yeah. So, I am saying that the data centre business is very close to our hearts. We have been constantly doing things. If you remember, I had spoken in my last call that we have done close about 14 safe cities. In every safe city, there is a data centre component in it which we have built and delivered to the customer. Even the Pune project that we got, the extended to the phase 2 that we are talking of has got a data centre built in it. So, we will continue doing that.

Apart from that, there are a lot of enterprise customers with whom we are talking about data centre management as well as helping them to migrate from on grid to cloud.

So, being in the infra business, this is our core business and core competence. We are very excited about things that are happening in the data centre side.

Even the government of India, if you have seen, has also given out a budget of about Rs. 30,000 crore for making data centres in India to make sure that the data of Indians are kept inside. So, that again opens up an avenue for us.

Our core competence once again lies in building a data centre, managing data centres and making sure they are running for a period of 3 to 5 years.

Nitin Shah:

So, I would rather like to talk the scenario about data centre. It has got four different phases. One is 'Own the data centre', 'Build the data centre', 'Operate the data centre' and 'Manage the data centre' by providing Managed services. And the first, 'Own the data centre' is highly capital-intensive activity, whereas all the three others, build, operate and manage is completely skill intensive activity, which is where we are there. And we are very sure that in any case we will be doing, even for third party data centre also, we will keep continuing doing that.

And recently, we are in the process of getting empanelled with MIT. MIT has come with a very large opportunity, and they are going to shortlist some good companies like who are into AI and cloud. So, while we are talking to you, we are in the process of preparing or responding to that RFP. Thank you.

Pratik Dedhia:

Okay. All right. This is very helpful. Thank you. I will come back in the queue.

Moderator:

Thank you. The next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

Manan Vandur:

Yes. Hello. Thank you so much and congratulations on the numbers. Sir, I came late in the call so someone might have already asked. So please bear with me. On the 28th slide of your presentation, I think there is a mistake in the numbers. So, the EBITDA numbers which are showing is Rs. 23 crore as EBITDA, but actually it is including the other income.

So, the actual EBITDA is coming to INR19 crore if we do 203 minus 184. So, it's coming to 19. So, if we do that, then our margins are coming to 9.35, but our EBITDA margins are showing as 11%. So, this is what I

wanted to ask, like, this is a significant dip in our margins from like 10%, 12% to like 9% percent. So, can you please help with this?

Gopal Tiwari: Yes, sure. The point is, first of all, EBITDA margin is calculated in my opinion or everywhere after taking other income also. This is distinct from operating margin. In fact, EBITDA, we have to take other income also in account. But having said that, even if we don't take that other income, I had explained in my speech, I think you were not there, our expenses, if you go through, our other expenses in this quarter have increased by over Rs. 3 crore.

And that is mainly on account of some expenses which are non-recurring in nature, which is one-time expense which is there in this quarter. It's not going to be again repeated in the coming quarter. So, if you take out those expense, so we will land our EBITDA earning more than 11%, which is in line with our earlier quarters. So that is another reason, even if you don't take that other income in account, we have still achieved our EBITDA margin in comparison to earlier period on similar lines.

Manan Vandur: Okay. So, is it on account of hiring, like getting new employees?

Gopal Tiwari: No. It is mainly on account of two counts. One is on account of our extra ECL provision there on account of this EBITDA receivables. And another one is that we celebrated last, during last quarter, our 40th anniversary. Our company's 40th anniversary was there, we celebrated in a large scale, pan-India basis. So that expense is also good. And that expense is definitely not recurring in nature. It's not going to be repeated again. So, if you take out those two expenses, then our margin is still better than last quarter.

Manan Vandur: Okay. And another question is that, even as you've won orders, are we planning to hire new employees so that we can streamline more of our projects? So, any hiring process are we doing, which might incur one-time expense and then later on help us out in our revenue and margins and everything in the later coming years?

Nehal Shah: Yes. So, with respect to hiring, I think since we are in the business of IT, manpower is the most important thing for us. We are constantly hiring people. With respect to the recent orders that we've won, there's a lot of time that we'll have to make sure that we are delivering the contracts appropriately.

Apart from that, there are also certain senior leadership people that we'll be hiring soon for which you'll be getting to know in a quarter or two for enhancing our business in India as well as abroad, maybe in the US, anywhere in the European markets. So, there are talks happening with several candidates for that as well from a leadership growth perspective. And from BAU, that is business as usual, as contracts come in, we'll be hiring people, refilling our current employees and making sure that we are there on our toes to make sure that the delivery happens.

Ramanan Ramanathan: So just to add to what Nehal said, see, our hiring strategy is twofold. Number one, to cater to new projects that we have got. And so, they have become billable very quickly. And that is one hiring strategy.

The other is to proactively hire based on anticipatory projects where we are reasonably confident of winning them. And so there you incur an initial expense, but that becomes recoverable very quickly as soon as we win those projects, because we don't want to waste our time trying to hire only after we have won.

So, these two things form an important part of our hiring strategy. And, of course, the hiring is based upon observable, confirmed pattern of billing.

Manan Vandur: And the last question will be on the finance cost. Like we have, we saw that we decreased, like we repaid some of our debt, our long-term debt has reduced from Rs. 12 crore to Rs. 8 crore, we have gone, but still we see that from Rs. 1 crore to Rs. 3 crore odd, there is an increase in finance cost. So, what would be the reason for this?

Gopal Tiwari: See, I will answer that question. See, as you see our business is growing and long-term debt is not there in the company, that is sure, but working capital funding is definitely there. We need a lot of working capital to cater to our working capital requirements.

So, borrowings are there definitely, and it is being increased day by day based on the increasing volume of business. And having said that, in this quarter, the increase of the finance cost is mainly on account of some regrouping of the income and expense. Earlier, we used to do some interest income, getting netted off against our expenses, which we have to change because of the new auditor coming into the picture now from this quarter.

They guided us and they said, you cannot net off the income part from the expense. So, you have to take the interest income in other income and entire interest expense has to be shown in the expenses. So, because of that regrouping, our finance cost is increased in this quarter and other income got also increased with the same amount. So, that is the reason of showing the increase in finance cost.

- Manan Vandur:** Okay, because of this other income has also increased and interest also.
- Gopal Tiwari:** Yeah, absolutely.
- Manan Vandur:** Okay, got it. Yeah, that's it from my side. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Shweta from Arihant Capital Market Ltd. Please go ahead.
- Shweta:** First of all, congratulations, sir, and best wishes for the Festive season. And my question is, can we see more quarters with order wins of Rs. 500 crore?
- Nehal Shah:** Shweta, I would like to have more quarters wins, who would not want that, right? But the reality of life is that I cannot give you a number, but there are larger deals that we are talking with customers, and we are hoping to close with them. As and when we have a concrete go ahead from our customer for delivering projects, we will start, and we will come back and give you announcements.
- But all I can say right now is that the traction is very good. And you would have seen that this quarter we saw about Rs. 675 crore. This is the same quarter; first time we have gone with a top line of Rs. 200 crore plus. And we would want to continue to maintain this trend going forward as well, so that we reach our Rs. 1,000 crore top line mark. We are very, very excited and I think this is a good time to do business and acquire more and more customers.
- Shweta:** Okay. And when will revenue from Pune Smart City start accruing?
- Nehal Shah:** Some of it will start from this quarter, that is the third quarter. Majority of that would come in the fourth and the first quarter next year.
- Shweta:** From third quarter?
- Nehal Shah:** From third quarter we will have some billing done for transition. From fourth quarter we will have the implementation done. And first quarter

next year we will have the final implementation billing done. So, it will take about two to three quarters before we have the complete implementation done, before we move to the O&M.

Shweta: Okay. Got it, sir. Can you give some light on cash flow and return on capital employed?

Gopal Tiwari: See, return on capital employed we have reached around two digit number, 10% we have achieved, but as earlier also we have pointed out our denominator, the networth figure is almost Rs. 600 crore. So, that includes almost Rs. 200 plus crore of our real estate properties in the company. So, if we net it out from our networth figure, then return on capital will increase shoot up by another 3%, 4% definitely. So, that is the reason, I mean, the more we will grow in our numbers in income and our ratio will keep on increasing.

Shweta: Okay. Got it, sir. Thank you so much. And best wishes for Diwali. Thank you, sir.

Moderator: Thank you. We have the next question from the line of Pratik Dedhia, an Individual Investor. Please go ahead.

Pratik Dedhia: Yes. In terms of, I just wanted to check in terms of the order bids that you put if you can just give us some broad ballpark number in terms of what range of orders you put in or probably number of orders that you bid, so that just gives us some idea in terms of the future possibility in terms of the order wins. So, this is more from the government sector part and second question is are there any specific orders or proposals that you put in for the private sector as well? So, that would also be helpful?

Nehal Shah: So, I couldn't get your first question, Pratik, but I'll answer your second question first and then you can repeat your first question. With regard to specific private customers we have been working closely with a lot of private customers here in India as well as global. If you look at our numbers, most of our revenues from outside India are non-government. They are all private enterprise that we are working with. There are certain large deals that are there in the pipeline which are on very advanced stages of negotiation and closures.

In the next quarter I would rather say if everything goes fine, we'll be able to give out the names and the details about the orders, but the traction is strong. We are constantly getting good traction, good number of bids are going in. For me to come up and give up a number on the bids would

become a little challenging here. But having said that, the traction is fantastic and there are a lot of customers that we are right now negotiating for these divisions.

Ramanan Ramanathan: If I can add, you have to understand the nature of our business. Our nature of business is large projects in the Indian sector, particularly in the government, in smart cities and so on. And they're typically anywhere greater than Rs. 30 crore, Rs. 40 crore at a minimum, but it can go as much as how the Pune city project went for Rs. 430 crore.

The second is enterprise customers. So, our enterprise customers are typically in the international sector, they are multi-million-dollar projects. They are not small projects.

And even in India, the enterprise customers are in the larger range because they are large customers. So, it would be a pan-India sort of setting. So, you get an understanding of the flavour of the business that we go after. And therefore, by its very nature the projects are significant in size, though they are of different sizes, and some are very large indeed and some of them are not as large. But all of them are significant projects from many perspectives. So that is the nature of the business that we are after.

Nitin Shah: So, I would like to take. There will be business of services that we are doing. What you see current year is only 20% or maybe 15%, depending upon the tenure of the contract, 5 years or 6 years, but you may see that every such contract would start yielding us that kind of profitability or the revenue for all subsequent years. So, we are very happy with this recurring revenue kind of project. So, we don't have to worry and get frustrated to sign or get any business that whichever comes our way. So sometimes if the margins are not good, we refuse also. We don't take them. And that's how our strategy is, but in every approval profit that you have seen, all the revenues that you have seen, most of the revenues are repeatable for the subsequent year also.

Pratik Dedhia: Got it. Okay, fair enough. I think that gives me a lot more clarity. So, thanks. I'll just repeat my first question. So, I understand you cannot divulge the value, but for government orders, if you can just give a broad ballpark number of orders that you bid or waiting for and sorry what do you say? waiting for the bid to be open?

Nehal Shah: So, there are a couple of orders that they've already bid for, for which we are waiting for the technical evaluation happening. On the pipeline front,

there are about five or six large tenders that are up for bidding. We are evaluating them. We will soon be figuring out which are the ones that you want to go after and bid for it. So, if you want, what I can do is I can give you a little more detail on an email. So, if you could share your email with our team here, I would be able to give you a little bit more detailed answer on that.

- Pratik Dedhia:** Sure. Okay. That would be great. Yes, I'll share my email. Thanks.
- Moderator:** Thank you. The next question comes from the line of Sameera Middha an Individual Investor. Please go ahead.
- Sameera Middha:** Hello. Good afternoon, sir. I have a question regarding the recent acquisition done by the company. So, can you please elaborate upon that?
- Nehal Shah:** So, Sameera we haven't done any recent acquisition. What we have done is opened up our office in Middle East that is in Dubai for expanding our business there. And we are glad to share that we've got our first customer for which service delivery has already started and we have hired about 65 people there. So, it's opening up our branch office rather a subsidiary there in the Middle East at Dubai.
- Sameera Middha:** And this is just to increase our presence in that particular location.
- Nehal Shah:** Correct. So, we've got a customer which is local there. It's a BFSI customer in Abu Dhabi. So, to cater to them we have the local presence in terms of hiring people, employing them and also giving purposes. So, this gives us a good opportunity to expand ourselves in that region.
- Sameera Middha:** Okay. Got it, sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Kartik Bhatt, an Individual Investor. Please go ahead.
- Kartik Bhatt:** Yes. I have two questions. Can you provide the top and bottom-line guidance for your FY26 and when it comes to smart City, what will be the revenue percentage coming to this year?
- Nehal Shah:** So, our revenue guidance, once again I'm giving it's going to be Rs. Annual revenue of 1,000 crore sometime over the next seven quarters we should be able to do it. I'm not saying a year because that confuses. So, rather six to seven quarters, we should be able to have our annual top line of Rs.

1,000 crore done. With respect to bottom line, I would want to say that we would be doing better than what we are doing today.

Moderator: Thank you. Ladies and gentlemen, we have no further questions. I would now like to hand the conference over to the management for closing comments. Over to you, sirs.

Nehal Shah: Thank you for your participation and engagement during this call.

In closing, I would like to state that given the traction in order wins, we remain well positioned to reach the Rs. 1,000 crore annual revenue in the near future. A comprehensive transformation program has been undertaken over the last couple of years, encompassing governance, transparency, human resource management, leadership and sales and marketing. This will ensure that our growth and progress is multidimensional and not restricted to financial parameters alone.

If you have any additional questions or require further information about our company, please reach out to our team or contact CDR India.

On behalf of ADSL family, we wish all of you a Happy Diwali and a prosperous New Year. We look forward to interacting again in the next quarter. Thank you.

Moderator: Thank you. On behalf of Allied Digital Services Limited. That concludes this conference. Thank you all for joining us, you may now disconnect your lines.

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