Date: February 13, 2024

| To,<br>The Manager<br>Listing Department<br>Bombay Stock Exchange (BSE)<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai - 400 001<br>Scrip Code: 544235 | To,<br>The Manager<br>Listing Department<br>National Stock Exchange (NSE)<br>Exchange Plaza, 5th Floor<br>Plot No. C/1, G-Block<br>Bandra-Kurla Complex<br>Bandra (E), Mumbai - 400 051<br>Symbol: ORIENTTECH |
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**SUB: TRANSCRIPT OF Q3 & 9M FY25 POST RESULTS EARNING CALL**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed the transcript of Post results earning call for Q3 & 9M FY25 held on Monday, February 10, 2025. Kindly take the same on your records.

**For ORIENT TECHNOLOGIES LIMITED**
***(formerly known as orient technologies private limited)***

NAYANA AKHIL NAIR
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**Ms. Nayana Nair**
**Company Secretary and Compliance Officer**
**ACS-65753**



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**Orient Technologies Limited**

**Q3 & 9M FY25 Earnings Conference Call**
**February 10th, 2025**

**Management:**

- Mr. Ajay Sawant, Chairman & Managing Director
- Mr. Sunil Arora, Chief Financial Officer

## Orient Technologies Limited
## Q3 & 9M FY25 Earnings Conference Call
## February 10th, 2025

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**Moderator:** Ladies and gentlemen, Good afternoon, I am Sagar, moderator for this conference call. Welcome to the Conference Call of Orient Technologies Limited arranged by Concept Investor Relations to discuss its Q3 and 9M FY'25 Results.

We have with us today Mr. Ajay Sawant – Chairman and Managing Director, and Mr. Sunil Arora – Chief Financial Officer.

At this moment, all participants' lines are in the listen-only mode. Later, we will conduct a question-and-answer session, at that time if you have any question, please press "*" and "1" on your touchtone keypad. Please note that this conference call is being recorded. I would now like to hand over the floor to Mr. Ajay Sawant. Thank you and over to you, sir.

**Ajay Sawant:** Good evening, everybody. Thank you for joining Orient Technologies Limited's Q3 and 9-month FY25 Earnings Call. We sincerely appreciate your time and interest in our company.

I begin with wishing everyone with a Very Happy and Prosperous New Year 2025, as we are meeting for the first time.

Firstly, I would like to give you some background about our company, then move on to highlight the financial and operational aspects of Q3 and 9-month of FY'25. Post which, we shall proceed to the question-and-answer session, wherein me and my colleagues shall do our best to answer your queries. Your company got listed in the month of August 2024, wherein we had received an overwhelming response from the investors.

Orient Technologies Limited is a leading IT solution provider operating in three different verticals. Number one is IT infrastructure products and solutions, which constitutes end-user computing and data center solutions. Number 2 is cloud and data management services, which comprises of DevOps and digital transformation, as you would like to categorize it and lastly, IT-enabled services, which consist of cyber security and infrastructure-managed services. The revenue contribution from the above verticals is as below. IT infrastructure products contribute to 61% of our 9 months of revenue, cloud and data management services contribute to 23.21% of our 9 months of revenue and IT-enabled services contributes to 15.62% of the overall revenue.

We continue to be strategically positioned to capitalize on the growing opportunities in IT infrastructure services, cloud computing, DevOps, and data management. Our focus remains on scaling our service offerings, driving innovations, and delivering long-term value to all stakeholders. A key growth driver for us is IT infrastructure products and solutions, where we hold long-term contracts with both corporate customers as well as government organizations, state and central as well. Our government business, which currently contributes to 8.81% of orders, is seeing increased traction as we target central government contracts, in addition to our established relationships with state government and public sector units. Additionally, our expertise in public sector banking, positions us as a key partner for migrating data centers to the cloud. We recognize that cloud is no longer a cheap alternative but a strategic imperative for enterprise IT.

Our partnership with AWS, Cloud Wings, and Azure strengthens our ability to offer cost-effective and scalable cloud solutions.

Our order book currently stands at Rs. 124.41 crore, which will be entirely billable in Q4 of FY'25, with a significant portion allocated to cloud and data management projects. These projects are expected to be executed over the next quarter, further solidifying our revenue re-visibility and our current attrition rate at 9.5%, and we continue to invest in talent retention initiatives.

Looking ahead, we are confident in our ability to sustain growth by integrating AI-powered automation, advancing our multi-cloud strategies, and strengthening our zero-trust security models. Our commitment to leveraging machine learning, best threat detection, and real-time data intelligence will drive continued success in the coming quarters. Additionally, we are making strategic capital expenditures of Rs. 79.64 crore, leveraging funds from our recent IPO to expand operations. Over the next 3 months, we will complete the development of our SOC, which is a Security Operating Center, and NOC, which is a Network Operating Center. A 250-seater facility is designed to support enterprise security and cloud operations. This initiative will generate an additional Rs. 100 crore in services revenues, strengthening our long-term market positioning.

Financial performance summary:

If you have to say, for 9 months of FY'25 versus 9 months of FY'24, total income grew by 37.73% year-on-year to Rs. 583.81 crore. Revenue from operations increased by 37.22% year-on-year to Rs. 578.85 crore. EBITDA stood at Rs. 53.32 crore, reflecting a 29.9% year-on-year growth, with EBITDA margin at 9.13%. Profit before tax rose by 31.32% year-on-year to Rs. 48.99 crore. Profit before tax margin stands at 8.39%. Profit after tax increased by 35.80% year-on-year to Rs. 37 crore. The PAT margin stands at 6.34%. Earnings per share for Q3 FY'25 stood at Rs. 9.82 compared to 7.81 in Q3 FY'24. We remain optimistic about the future and we are committed to maintaining our growth momentum in the coming quarters.

From the operational highlights perspective:

We were awarded the contract for managed service provider for AWS workloads by Digital India Corporation, which comes under the MEITY, Ministry of Electronics and Information Technology, Government of India. The scope of work for the same includes seamless migration, ongoing infrastructure management, cloud governance, security compliance, and performance optimization for DigiLocker, National Dairy Development Board, Umang and many more. We were also recognized by Hewlett Packard Enterprise as the HP Storage Partner for FY'24, which is an exalted award for our proficiency in providing impeccable HP storage solutions.

With this, I come to conclusion of my opening remarks and open the floor for questi ons and answers. Thank you.

**Moderator:** Thank you very much, sir. We will now begin with the question-and-answer session. Anyone who wishes to ask a question, may please press "*" and "1" on your touchtone phone. If you wish to remove yourself from the question queue you may press "*" and "2". Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, you may press "*" and "1" to ask a question. Our first question comes from the line of Kunal Sharma from SP Capital Financing. Please go ahead.

**Kunal Sharma:** Actually a couple of questions that I have. First, I actually wanted to understand the reason behind slowdown in the current quarter. So, could you please elaborate more on that particular part and how it is shaping up in Quarter 4 and beyond that?

**Ajay Sawant:** Okay. So, Kunal, I will make one correction here. We are not slowing down. If you see the Q3 of FY'25 and Q3 of FY'24, okay, the overall revenue, we have increased by 37%. So, if you see growth of 9 months in FY'25 and over FY'24, it's 37.73%. Looking at year-on-year quarter growth, the growth was 34.49%. So, by no means I would say that we have been slowing down as far as the revenue is concerned. Even in EBITDA percentage, the 9-month growth was 29.9% and year-on-year quarter growth was 15.6%. So, I think that's a good growth considering the current market situation.

**Kunal Sharma:** Okay and how is the demand looking at the current environment according to you as far as the US and other things are concerned?

**Ajay Sawant:** Okay. So, 99% of our revenue is domestic revenue. So, I don't see any challenge whatever happening in US is going to affect our business substantially. Okay. We are very positive of each quarter-on-quarter and I find that even Q4 will be far better quarter for our organization.

**Kunal Sharma:** Okay and the second question, can you please throw some light on your vertical-wise and industry-wise growth during the quarter and even 9-month basis?

**Ajay Sawant:** Sure. So, Kunal, for last 9 months, if you see our revenue growth perspective, BFSI has contributed 19.41% of our overall revenue. Government and PSU, I already said it is 8.81% of our revenue. ITeS has contributed to 10.98% of our revenue. Mid-market which is a big business for us 00 contributes to around 53% of our revenue and communication, contributes to around 6.04% of our revenue.

**Kunal Sharma:** No, sir. Actually, it is a contribution, but I'm talking about growth. Like, how is the growth in the BFSI this quarter to last quarter and the YoY basis as well and the same for your industry, your vertical-wise growth as well?

**Ajay Sawant:** Yes. So, no doubt, we had a major growth in government and PSU. That is the major growth area for us. Second is, of course, the mid-market segment. Okay and third comes the BFSI.

**Kunal Sharma:** Okay and what about your vertical-wise growth? How is the growth in cloud and management? How is the growth in the enabled service and the IT infrastructure?

**Ajay Sawant:** So, segment-wise, if you see, our revenue, which has come from the December perspective, okay, IT infrastructure products and solutions contributes to around 57.76%. Cloud and data management contributes around 26.57%, whereas ITeS services contribute to 15.67% of our overall revenue. This is for as far as the quarter goes. As far as 9 months is concerned, IT infrastructure products and solutions give us the 61.2% revenue. Cloud and data management is 23.2% and IT-enabled services give us around 15.6%.

**Kunal Sharma:** Is that a contribution, sir, you are talking about?

**Ajay Sawant:** Yeah. So, if you see, overall, cloud and data management is growing quite rapidly. That's the number one area. ITeS is more or less constant.

**Kunal Sharma:** So, on the margin front, our margin stand is somewhere around 8% to 9%. Since we are focusing on the high-margin business, like data center and the cloud side, so where do we see our margin in three to four years down the line? I think if I am not wrong, you have...

**Ajay Sawant:** Yeah. So, margin is definitely have some impact because we are in the investment mode and we are investing in the skills and building a NOC and SOC. So, naturally, for a short term, you will see there is an impact on the margin. But this will eventually, over a period of 3 to 4 years, the question which you have asked, I am sure we will be able to get into a double-digit percentage margin.

**Kunal Sharma:** Okay and on the follow-up on the same, sir, in data center, what exactly we do? Because it is like quite hot pick today. So, what are we delivering to the data center?

**Ajay Sawant:** So, most of the cloud service providers or data center operators need a lot of infrastructure and services in their data centers and that is what we do for data center players and the cloud service providers in the market.

**Kunal Sharma:** Okay and the last one more question for the growth outlook for FY'25 and FY'26 and beyond that. So, generally, we do not publish the futuristic numbers. But looking at the market, we are very optimistic on this and we should be able to have a considerable amount of growth year on year.

**Moderator:** Thank you. The next question comes from the line of Hiren, an individual investor. Please go ahead.

**Hiren:** I just wanted to know 2 small things. One is, you have been – what is this contract for that Digital India Corporation? So, you know, what would be the broad scope for the contract you have already mentioned, but is it going to be a long-term contract? So, any tenure of the contract that you want to specify and also any financial implications, like how big can this get and secondly, a small observation on your margins is that your margins this time were in the range of 9.12%, while same quarter last year – corresponding quarter last year was maybe 10%, if I am not mistaken, 10- point something. So, how this could improve and why this has come down a bit? These are two questions.

**Ajay Sawant:** Good, Hiren. Good observations. First, let me talk about the contract from MEITY, which is the Ministry of Electronics and Information Technology. The contract was awarded by Digital India Corporation, okay, which is to provide them the managed service provider contract on the AWS workload, okay, on getting the seamless migration of the entire workload from on premise to cloud, then getting the ongoing infrastructure management, cloud governance, security, and performance optimization. This is the scope of work, which is there, mentioned into the contract, and this will get into a multi-million dollar contract. These are 3 to 5 years' long-term contracts. So, naturally, this is going to get us far better perspective in terms of revenue in coming years. That is the answer to your first question. Second, the margin dropped. As I already mentioned, that we are in the investment mode. We are investing in building up our NOC and SOC, where skill matters a lot, so we are investing more on people, more on technologies, and that is where, for a short time, you will see there is a margin drop, and you rightly mentioned the Q3 of FY'25 versus Q3 of FY'24 our margin is dropped from 10.5 to 9.13.

**Moderator:** Thank you. The next question comes from Agastya Dave from CAO Capital. Please go ahead.

**Agastya Dave:** Sir, I will have to again repeat the questions on the margins because the drop in the margins, if I remove the impact of other income, is even more dramatic. So, last year, without the other income, you were at 10.4%. Now, you are 7.9% in this quarter, and I understand the employee expenses part and why that will grow quite substantially while you are adding people. But even on the gross margin side, there is quite a hefty fall, almost a 200 basis point fall in your gross margins. So, are you, as of now, taking some businesses which are not much remunerative, but those businesses are more strategic in nature, or is it something that the competition in the marketplace has increased? Can you go into a little bit more detail about that point, especially the gross margin part?

**Ajay Sawant:** Okay. So, yes, there is a slight hit on the gross margin as the revenue goes up. So, when the revenue goes up, certain deals we need to take more in a strategic nature, just to get acquisition of some of the new customers, new logos, where you need to compromise your margins front and that is where, yes, this quarter, you would see that hit. But that is not the regular practice in nature, because some of the customers, we do not have any choice to get an entry level, that's the entry barrier, which you need to cross over. But that is a short-term understanding with the known impact on the overall balance sheet and this has been already taken care of. Next quarter, you would see far better numbers than this.

**Agastya Dave:** Understood, sir and these are short duration contracts, and hence, as they run through, your margins will recover?

**Ajay Sawant:** These are one-time deals.

**Agastya Dave:** One-time deals. Okay. Understood, sir and, sir, you mentioned that the investment phase will continue for some time, but can you quantify that time, sir? Is it a year-long process or shorter than that?

**Ajay Sawant:** No, it's another two quarters.

**Agastya Dave:** Another two quarters?

**Ajay Sawant:** Yes.

**Agastya Dave:** Okay. Sir, you are also increasing the portion of managed services, the contribution will increase the revenues going forward. So, how do those impact your margins going forward? Just the impact of managed services?

**Ajay Sawant:** So, managed services will increase the bottom line for the organization. So, actually, it is the highest making bottom line in the overall value chain. So, the moment, the focus currently is on cloud and data management, as well as on the IT-enabled services. So, I am sure overall impact within the next 2 to 3 quarters, if you see, after once we are engaged with all the CAPEX and OPEX investment perspective, things will turn the table and we will see a huge growth in the gross margin, as well as EBITDA margin.

**Agastya Dave:** Understood, sir. So, if the managed services, if I am not mistaken, they are at around 15% today. So, if they cross 20%, so what kind of that 5% incremental contribution to the margin, what will be the jump in EBITDA because of that?

**Ajay Sawant:** EBITDA will jump by 2% to 3% more.

**Agastya Dave:** Okay. So, if we are today, if I am taking this quarter as the base, we are at 8%. So, just because of that 5% increase, we can go to 10%.

**Ajay Sawant:** Yes, 5% of the overall revenue increment in the IT-enabled.

**Agastya Dave:** Correct. 5% of the overall revenue has increased contribution from the managed services and bump up the margins for 2%.

**Ajay Sawant:** 2%, exactly.

**Agastya Dave:** Okay. So, sir, once the strategic entry-level projects that you are doing and once the managed services contribution increases, both these things play out, plus your growth, the normal operating leverage which will happen because of that, can we expect like 11%, 12% margins going forward then 2-3 years down the line?

**Ajay Sawant:** That's a wish list.

**Agastya Dave:** Okay. So, is there a ceiling to the EBITDA margins?

**Ajay Sawant:** There is no ceiling as such, but the idea here is to increase the quarter once the investment phase is over.

**Agastya Dave:** Understood, sir. Sir, in terms of your CAPEX for the year, sir, do you have a number with you, how much you have done for the year so far in the 9 months and what is the overall CAPEX plan for this year and the next 2 years?

**Ajay Sawant:** So, major investment is going to be setting up the NOC and SOC. That is from a CAPEX perspective and then definitely for a DaaS business, we will be investing Rs. 69 crore of our revenue for a DaaS and we have already taken a premise in New Bombay. So, hopefully, we should get possession of that very soon and then we will set up the SOC and NOC there. So, that will be another Rs. 10 crore of investment in the form of CAPEX.

**Agastya Dave:** Overall put together, sir, can we assume Rs. 100 crores?

**Ajay Sawant:** Rs. 80 crores, you can say, in CAPEX.

**Agastya Dave:** Okay and all of that will happen in FY'25, sir, in the current financial year?

**Ajay Sawant:** No. As I said, we will do it in 2- 3 quarters max.

**Agastya Dave:** Okay. So, some of it will spill over to the next year?

**Ajay Sawant:** Yes.

**Agastya Dave:** Understood, sir. And, sir, once these capital expenditure exercises are done, what would be the maintenance CAPEX? Is that a substantial number, sir?

**Ajay Sawant:** No. So, that is normal day-to-day op-eds which will be taken care of from our day-to-day expenses.

**Agastya Dave:** Okay that would be more of a P&L thing?

**Ajay Sawant:** Yes more of a P&L thing.

**Agastya Dave:** Yes understood. One final question, sir. In terms of new hiring's, so the scale that you have in mind, where the company would be in 2-3 years. Sir, by when can we expect the full hiring to be over and when will we see the peak employee expenses and what kind of levels will we see? So, historically, you have been at around 6.5%.

**Ajay Sawant:** There is no peak, hiring is over. The reason being as we keep on getting more and more employees the revenue contribution will keep on increasing.

**Agastya Dave:** Understood, sir.

**Ajay Sawant:** So, until and unless I stop hiring, means my business will be standstill.

**Agastya Dave:** Understood, sir. So, what you described as the opportunity set for the company in the last con-call, that 3-year trajectory, you continue to see? I mean, there is no slowdown that you are witnessing?

**Ajay Sawant:** Absolutely!

**Agastya Dave:** So, you need to then continue building on your capacities and capabilities, and then harvest more and more of the time that is available to you?

**Ajay Sawant:** Absolutely, right.

**Agastya Dave:** Understood, sir. So, thank you very much, sir. All the best.

**Moderator:** Thank you. Next question comes from Lakshay Agarwal from Growth Sphere Ventures LLP. Please go ahead.

**Lakshay Agarwal:** So, I have a few questions. So, firstly, we want to focus more on the managed services part and like I see that currently we are at 15%, and Managed Services is part of our IT-enabled service, ifI am not wrong. So, in the next three years, we are planning to take it around 20% to 25%. So, I want to understand that what exactly do we do here and how are we planning to increase this part of our segment?

**Ajay Sawant:** Okay. So, Infrastructure Managed Services, IMS is what we call it as, consists of a lot of services. This comes with the multi-vendor support, facility management services, subscription services, sustainability services. This comes with even managed services like backup as a service, or security as a service, storage as a service. So, there are a lot of services that come under the umbrella of infrastructure managed services, and it has a huge scope to grow and we see in India, being a labor-centric in nature, we can take it to the next level. So, our idea is to increase this ITS services that we call it at present 15% to another level, which is 20% to 22% in the next 2 to 3 years, of our overall revenue, I am talking about.

**Lakshay Agarwal:** Understood, but I just have one question, because in terms of the managed services, which you talked about here, and we also have a different segment, the cloud and data management service, which has the infra-platform software storage as a service, like the digital services. So, who is our technology partner over here and for which we help our customers increment this year?

**Ajay Sawant:** Okay. So, on the IMS front, we give a lot of on-premise services, which are delivered on premise, whereas in cloud and data management, we give more of our services on cloud, which are like a FinOps, SecOps, and DevOps, whereby we give not only the services on infrastructure, but even software as a service, platform as a service, and infrastructure as a service as well.

**Lakshay Agarwal:** Yeah, right. So, actually, my question was that all of these different solutions, which we have, we must have a technology partner for these solutions, or are these our own solution?

**Ajay Sawant:** No, there are technology partners involved in each of these services. The only FMS and multi-vendor support is where we have our own support where the Orient-branded services, which we give it is. For all others, we use some or other technology partners. So, say, for example, Cloud, we use AWS as well as Azure. Okay, these are our two technology partners, but backup as a services, we use Veem. So, for managed services on backup, we do it with Veeam. For storage as a services, we use NetApp and HPE. So, for various solutions, we use different technology partners.

**Lakshay Agarwal:** Understood, sir and lastly, like we are providing all of these different services, but the competitive landscape is also a lot in our segment. So, how do we place ourselves differently from our competitors because as we also work, like our aspiration is to increase our margins by 200 to 300 basis points. So, how are we positioning ourselves over here?

**Ajay Sawant:** Okay. So, our competitiveness comes from the skills that we hire and keep on making sure that they keep on learning new-age technologies. So, our focus always remains on the new-age technologies, which are coming in the market, which gives a big operational efficiency, and we try and adopt them, become an early-bird adopter of those technologies, and try and propose it to our customers, which in turn benefits them as well.

**Lakshay Agarwal:** Okay, got it, sir. So, just to follow up on the previous question. So, in the data center segment, which contributes 20% to 25% and you, had mentioned earlier also that we would be maintaining the same percentage going forward. So, the solution that you provide over here is that we buy the different servers and storage solutions and all of it, and then we give it to our data center customers, or there is something else also which we provide?

**Ajay Sawant:** Yes. So, what we do is, in terms of data center solutions, all those servers, storage, networking, virtualization, we bundle it as a service to the customers. So, all these cloud server service providers or data center service providers, we give them the complete stack of infrastructure plus the services along with it.

**Moderator:** Thank you. Next question comes from Heli Shah from Pi Square Investments. Please go ahead

**Heli Shah:** So, the order book that you just mentioned, that is, the current order book is 154 crores, which will be delivered by Q4 FY'25. So, is it possible for you to break it down, break the order book down among cloud, cloud infrastructure, ITeS and infrastructure product services, the segment break up basically?

**Ajay Sawant:** So, as on December 31st, we have an order in hand of around Rs. 124.41 cr, okay, this is all billable in Q4 that is before March. The majority of these orders are from the, you know, IT infrastructure solutions perspective. So, approximately to the tune of around 75 cr is coming only from IT infrastructure solutions perspective. Around 35 cr is coming from the cloud and data management, and 15 cr is coming around IT enabled services perspective.

**Heli Shah:** All right and how are we seeing the Q4 growth? Like, are we expecting it above the Q2 level, or it will be still at the growth quarter on quarter?

**Ajay Sawant:** So, I feel that Q4 will be a bumper quarter for all of us, but I will not be able to share the exact numbers of Q4, because generally we do not give any futuristic numbers.

**Moderator:** Thank you. Next question comes from Tej from Niveshaay. Please go ahead.

**Tej:** My question is on recently bided for a 10,000 GPU standard that was floated by Ministry of IT and we participated, I guess, with a bid of about 1000 GPUs. So, what's the status of that? Have we won any order? I know we were on the L1 in that. But then have we won any order, a portion of it and what was your thought process? I mean, are we venturing into the owning data centers or venturing into this space as well, if you just throw some light on this?

**Ajay Sawant:** Sure. So, as I mentioned that MeitY has already awarded us the contract for this AI-enabled workloads, which are basically hosted out of AWS. So, all those AWS work loads that we are talking about with the Digital India Corporation of MeitY where we all use DigiLocker, right? So, all those DigiLocker workload, we will be managing it, securing it, and making sure that there is a proper cloud governance is there and the optimum performance is being taken care of. So, whether it's a DigitalLocker or Umang or National Dairy Development Board, there are a lot of contracts which will keep on coming and which are long-term contracts. So, we are working very closely with MeitY and Digital India Corporation to get more and more contracts from this initiative of government.

**Tej:** Got it. So, the CAPEX for this GPU for that project will be done by you ?

**Ajay Sawant:** So, it's an AWS workload. So, what we are saying is that it is pay-per-use, as and when government needs it. I do not think there is a CAPEX involved. AWS has already invested in the business, and we will be using it as and when we consume the workload.

**Tej:** Got it and I mean, you already touched upon this part, but then again, I just wonder, I mean, what I have observed is our things our majority of revenue comes from the IT infrastructure andif you look at the industry as a whole, this space is quite crowded, then are there any solutions like a cloud management or a security system, right? So, my question is, I mean, you already touched upon, probably we will move to more of managed services, but then if you could just give a more detailed answer on what are your steps and what market are you targeting, and then what are your views on the IT infra as a business for you going forward? Would it reduce? My question is what are we trying to move more towards a value-add service than a top-line driven service, which is the IT infra, where margins are low and the space is also really crowded, and in the last con-call also, I remember you said, the cloud space is growing fast for us. So, if you could just throw some light on how big the cloud space could become for us, because a lot of, let's say, mid to large enterprises are moving from on-prem to cloud, and are we a preferred player there, or there is much competitiveness in this on players providing services to companies from moving from On-prem to cloud. If you could just throw some light on competitiveness intensity in that area also

**Ajay Sawant:** Okay. So, as far as the IT infrastructure business is concerned, definitely it is very competitive in nature, especially end-user computing is very competitive in nature. But whereas it goes to value-added services, okay, which are more of managed services, more of a cloud service management, security, and anything like FinOps or SecOps, these are the value-added services where you require a skill and the competition is pretty low, so the margin is far better. So, we are focusing more on those value-added services on cloud or even on, On-premise infrastructure as well. So, all these value-added services will give us not only the top line but a better bottom line, and that is what we are focusing on. Currently, cloud and data management is at 23.2%, and quarter-on-quarter, I am sure it will increase it because we are focusing more on cloud and data management and ITeS, that is IT-enabled services LOV, which is giving us two benefits. Number one, bottom line is definitely better. Second is, it is annual recurring revenue. So, what happens is, these are long-term contracts for 3 to 5 years. So, for next financial year, my numbers are already being taken care of.

**Tej:** Got it. So, but then the shift, will probably take2-3 years, right? You said from 15 to 20, it will take 2-3 years, right? You said the shift for, let's say, managed services is about 15% of your revenue, right? Correct. You said it will take 2-3 years to move to that 20% mark?

**Ajay Sawant:** Yes, 20 to 22% of the overall revenue percentage, if I have to have, it will take, 2 to 3 years.

**Moderator:** Thank you. Next question comes from the line of Ashwin , an Individialinvestor. Please go ahead.

**Ashwin R:** Sir, two questions. The first one being, what is the current debt on your book, sir?

**Ajay Sawant:** Okay. So, there is a very minuscule depth on our book. Okay. So, I do not see a, it is any large value, just to the tune of 2.25 crores, currently, but which is a basically an interest-free loan. So, I am not so much concerned about those values.

**Ashwin R:** Okay. Sir, going forward, how much time will you take it to make it, zero it?

**Ajay Sawant:** It is a matter of 6quarters that I can make it zero, because it is an interest-free loan. I am too much not concerned about it. We are quarter on quarter, that is EMI, we are paying it to the **Siemens**, which has been having an arrangement with Cisco and for which we have taken this.

**Ashwin R:** Okay. Sir, the second question is what was the revenue split between government and corporate contracts, sir?

**Ajay Sawant:** So, 8.81% is the government contracts that so far we are billing it to, but balance is all about corporate and there are huge numbers of corporates which we have in various different-different segments. So, BFSI contributes to around 19%, mid-market contributes to around 53%, ITeS contributes to around 11%. So, I think we are having a better split against most of the vertical segment and our presence is relatively felt in that particular vertical.

**Moderator: `** Thank you. The next question comes from Vimox Shah from Goyam Labdhi Fintech Private Limited. Please go ahead.

**Vimox Shah :** I wanted to know that, that company ventured into the Daas light device as a service. Can you share some insight that who will be the target customers for this and how are you planning to scale this business?

**Ajay Sawant:** Okay. So, Device as a Service is a new offering from Orient. But this is actually very famous across the globe and most of the MNCs are adapting to this. If you see HPE, HPE is providing GreenLake, Dell is providing APEX, which is nothing but a device as a service. What it gives us is a stickiness with the customer, because you are not only doing a one-time deal with it, you are actually getting a contract which is 3 to 5 years of a contract for the customer, and which will keep on doing it again and again. After 3 years, he is going to once again sign up the same contract with the new configuration or the latest technology which is available with us. So, that customer stickiness is more important in this. Of course, the flip side of it is that the investment is done by us, but the entire infrastructure products and the services bundled along with it will be provided by us. So, generally, we are struggling to get a better profitability as far as the IT infrastructure products and solutions are concerned, but services give me the better margin. So, overall combinations of products and services gives me a better profitability, stickiness, and my EBITDA will be improve quarter on quarter.

**Vimox Shah :** So, next question is, what is the potential revenue from the eProtect360 acquisition?

**Ajay Sawant:** The acquisition is not complete yet, but there area lot of potential which we see in the eProtect solution. This company which we have acquired is more of a tuck-in acquisition, which is more strategic in nature, because we want to build some of the IPs along with them, and that is why we are planning to acquire it. The more details I am able to provide once we have a definitive sign-up with them, which we are planning to do it very soon. The board has already approved this with mutual agreeable terms and conditions. Based on that, we have got a sanction. So, the moment we sign a definitive agreement, I can disclose all other terms.

**Vimox Shah :** And last question is what is the current revenue per employee right now?

**Ajay Sawant:** Okay. So, we divide the employees in two buckets. One is, of course, the in-house bucket, and another is basically a facility management, which we say outsource employees. Now, my outsource employees are approximately to the tune of 1100, whereas in-house is around 350 to 375, and it is growing. So, if I have to say my per employee capita, generally, we calculate as per in-house resources and not as outsource resources. So, with that, it will come to around Rs. 3 crore per person, you can say.

**Vimox Shah :** Okay. And what is the current attrition rate?

**Ajay Sawant:** Currently, we are at 9.5% for this quarter.

**Moderator:** Thank you. Next question comes from Chinmay Shah, an Individual Investor. Please go ahead.

**Chinmay Shah:** Sir, as we see our 9-month end-to-end results, there is almost 30% to 37% increase in top-line and bottom-line. It is very impressive, sir. So, should we assume that it will continue for the next 2, 3years?

**Ajay Sawant:** My wish list is that, or rather we are planning to do it continue this for another 3 to 5 years. Yes, the market will support us, for sure, because India is growing very fast with the current GDP rate. Unfortunately, what we hear from the US is not a good sign, but that does not hamper our business so much.

**Chinmay Shah:** Okay and, sir, one more question. Sir, in future, as a device, as a service, what is the expected revenue contribution and how much margin improvement it will help us?

**Ajay Sawant:** So, device as a service is basically what we do is the investment, the CAPEX investment is done by us and the customer only pays me on a quarterly basis. So, this is my service revenue. So, against that service, it is only the interest is what I have to consider as my incoming cost. Balance all comes under the fixed asset. So that is all my, everything is my income only.

**Chinmay Shah:** Okay. So, it will help to boost the margin as well, right, from current single digits to maybe high..

**Ajay Sawant:** Yes, that's true.

**Moderator:** Thank you. The next follow-up question comes from Lakshay Agarwal from Growth Sphere Ventures LLP. Please go ahead.

**Lakshay Agarwal:** Sir, just one follow-up question regarding the order book, that currently we have an order book of 124 crores approx which is executable this quarter, like we had mentioned. So, I wanted to understand that how is a pipeline looking likeand generally, how much time does it take for that pipeline to convert into an order book?

**Ajay Sawant:** Okay. Our sales pipeline here, between 3 to 6 months, it gets converted into order book. Okay. So, the sales cycle, if you say, it varies between product to product and technology to technology perspective. But end-user computing and data center solution happens within three months' time. Cloud and data management probably happens in 3 to 6 months' time. Services happen between 60 to 120 days' time. So, that's where the sales cycle we call it at. So, most of the time, we get the order in three months' time. That's what we say from the day we start working on the deal. Okay. But this is, as an average, I am just talking about. Getting the order from billing perspective is generally, ifit is a long-term contract, then quarter-on-quarter, we bill. If it is a one-time contract, then it's between 3 months, we bill it out. As I said, 124.41 is an order book, which is all billable in Q4.

**Lakshay Agarwal:** So, then how are we positioned for our FY'26 order book? Like, how much of the total revenue we can say is recurring going forward?

**Ajay Sawant:** So, on 31st March, I will come back to you on my FY'26 ARR value, okay, which I will be able to disclose only at that particular time.

**Lakshay Agarwal:** Okay. Understood and also, in terms of our recurring revenue, any idea on that?

**Ajay Sawant:** So, all the cloud and data management and the IT-enabled services are all about recurring revenue.

**Lakshay Agarwal:** Okay. So, only the data center part is the one-time.

**Ajay Sawant:** Yes. Individual computing and data center part is only a one-time piece.

**Lakshay Agarwal:** Okay. Understood. Sir, thank you.

**Ajay Sawant:** But the moment I convert that business into a DaaS, that becomes recurring revenue.

**Lakshay Agarwal:** Got it.

**Ajay Sawant:** So, DaaS has been introduced within our organization to convert that one-time revenue into annual recurring revenue, and that is what we are targeting that our maximum revenue has to happen from the annual recurring revenue. That's the idea.

**Moderator:** Thank you. A reminder to all the participants, if you wish to register for a question, you may press "*" and "1". The next question comes from Hari, an individual investor. Please go ahead.

**Hari:** Sir, I have one question related to the revenue. So, you are saying year-on-year, there is a quite improvement, but if you compare to the sequential basis, there is a slight dip in the revenue. So, I just want to understand, is it kind of seasonal impact? If it is not a seasonal impact, what is the reason behind it and you also said that this quarter will block buster quarter that if you can just clear for me. That is the first question and the second question from myself is what is the impact of DeepSeek? Why I am asking is, recently, because of that reason, most of the data centers are getting hampered. So, I just want to understand, what is the impact of DeepSeek for Orient Technologies and that is the second question, sir and my request is, so, as soon as this impact of DeepSeek came, so all got hampered. But some of the companies, they gave the clarity about the big business impact due to the DeepSeek and they started kind of recovery. So, that kind of clarity, something is missed from your side. That's one kind of request. Why I am asking, if you just something hampering this kind of information, right? Please give us some information. **Inaudible (53.25)** That is all from my side.

**Ajay Sawant:** Good question, Hari. Let me answer your first question. Q2 and Q3 comparison. Our business in India, basically, is driven more by the companies, corporates, as a governance perspective. And Q2 is always far higher than Q3, because people can claim 100% depreciation in Q2, whereas only they can claim 50% depreciation in Q3. So, most of the investment which happens from the corporate segment is in Q2, and less in Q3, but once again, higher in Q4. So, please understand the cyclic nature of the business. Q1 is always less, because the budget is not approved by the corporates. So, Q1 is pretty less. Q2 goes up. Q3 again goes down, and Q4 again comes up. That is cyclic in nature, which I am talking about. In our case, if you would have seen the numbers revenue from operations in Q2 was Rs. 223 crores, and was marginally lower in Q3, which is Rs. 206.85 crores. So, I am not too much concerned that my revenue has dropped. But if you see, year on year, we have grown by 33.01%. So, I think, year on year, we have shown a massive growth. Quarter on quarter, our dip is only minus 7% and we have for multiple reasons. One reason, as I said, Q3, there is less depreciation. So, people do not like to invest in Q3, but Q4, they want to utilize all their budgets and get whatever depreciation benefits from government, which they get it in Q4. So, Q4 again, once again, goes up. That's the answer to question number 1. Answer to question number 2 is on DeepSeek. Now, entire IT evolves around some buzzwords. And today, AI is a big buzzword today, and Gen AI is a part of it. Just to compete with the Gen AI, China has come out with a DeepSeek, which will, definitely save cost to the customer and give the better performance. But will it affect the businesses? I do not think so much. Because adopting any Chinese technology is something which is a big question mark. Okay, currently in the market, people are not accepting it until and unless it has been proven right and to prove this right, we need to have a lot of use cases. Today, currently, I see not so much of use cases in various segments, vertical segments, that is BFSI, ITS, Healthcare, Pharma, and various others They are trying to portray it will save cost and give a better performance. But until and unless I see the used cases and the skills developed on those technologies that technology is not going to be the run-of-the-mill product. Okay, until that has been taken care of, which I see another 4 to 6 quarters it will take and after that, nobody knows how IT changes. IT changes very fast you may find some new technology coming in, which will even better than DeepSeek. But yes, AI is going to be there. AI is going to rule the market. AI, people have started finding out various used cases, especially on Gen AI. Okay, so you will see a lot of good momentum coming from Gen AI initiative perspective.

**Hari:** Okay, so what I understood is there is no impact of DeepSeek from...

**Ajay Sawant:** Not immediate effect, until the use cases get developed.

**Hari:** Okay, so you have noted my request, sir. So, please take up that request. I am going to say if any kind of impact comes, right, try to give the business impact. Thank you so much, sir. That's all I have.

**Moderator:** Thank you. Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Ajay Sawant for closing comments.

**Ajay Sawant:** So, thank you Gaurav from Concept IR for organizing this call. We truly appreciate all the participants for taking the time to join us today. If you have any further queries, please feel free to reach out to us. We will be happy to address them. Thank you once again for your continued support and interest in our company. Thank you.

**Moderator:** Thank you. On behalf of Concept Investor Relations, that concludes this conference. If you have any further questions please send an email to gaurav.g@conceptpr.com. Thank you for joining us. You may now disconnect your lines.