28th October, 2024

To,	To,
National Stock Exchange of India Limited Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. **NSE SYMBOL: AURIONPRO**	The BSE Limited, 25th Floor, P. J. Towers, Fort, Mumbai: 400 001. **SCRIP CODE: 532668**

Sub: Transcript of earning call held on October 22, 2024 for the Q2 & H1 FY 25.

Dear Sir/Madam,

In accordance with Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed transcript of the earning call held on October 22, 2024 for the Q2 & H1 of FY 2024-25.

Kindly take the above information on record and confirm compliance.

Thanking you,

Yours faithfully

For Aurionpro Solutions Limited

Ninad Prabhakar Kelkar

Digitally signed by Ninad Prabhakar Kelkar
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Ninad Kelkar
Company Secretary

Encl: as above

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"Aurionpro Solutions Limited
Q2 & H1 FY25 Earnings Conference Call"

October 22nd, 2024

MANAGEMENT:	**MR. ASHISH RAI – GROUP CEO & VICE CHAIRMAN** **MR. VIPUL PARMAR – CHIEF FINANCIAL OFFICER** **MR. NINAD KELKAR – COMPANY SECRETARY**

MODERATOR:	**MS. AASHVI SHAH – ADFACTORS PR – INVESTOR RELATIONS**

Aurionpro Solutions Limited
Q2 & H1 FY25 Earnings Conference Call
October 22, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Investor Call of Aurionpro Solutions Limited to discuss the Q2 & H1 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that, this conference is being recorded.

I now hand the conference over to Ms. Aashvi Shah from Adfactors PR, Investor Relations. Thank you and over to you, ma'am.

Aashvi Shah: Thank you Neha. Good afternoon everyone. On behalf of the Company, I would like to welcome you all to the Earnings Conference Call for Q2 & H1 FY25.

Today, on this call we have with us from the Management Mr. Ashish Rai – Vice Chairman and Group CEO, Mr. Vipul Parmar – Chief Financial Officer, and Mr. Ninad Kelkar – Company Secretary.

We will begin the call with brief opening remarks from the Management followed by a Q&A session.

Please note that certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to certain risks and uncertainties that could cause the actual results or projections to differ materially from those statements. Aurionpro Solutions will not be in any way responsible for any actions taken based on such statements and undertakes no obligation to publicly update these forward-looking statements.

I would now like to hand over the call to Mr. Ashish Rai for his opening remarks. Thank you and over to you, sir.

Ashish Rai: Thanks Aashvi. Good afternoon everyone, and welcome to this Earnings Call for Q2 & H1 FY25. I am sure by now you have all received the investor deck, and I hope you had an opportunity to review it.

I am very pleased to share the continuing strong performance in Q2 and in H1. We continue to make significant progress in the quarter on our agenda to expand the banking software business to newer markets, as well as to recalibrate parts of the TIG business to focus on better economics, as we have talked about before. Our revenue for Q2 has grown by 32% YoY on the back of continued momentum across businesses, especially on the banking side. EBITDA increased by 23% YoY and PAT grew by 34% YoY which is a great indicator of continued effective execution by the team. Building a scaled up enterprise technology player that delivers value on the global stage will take immense focus on a complex range of factors, and it's worth appreciating how steadily and methodically the team has continued to make progress across the various aspects of the strategic agenda.

To recap the performance, revenue for the quarter stood at Rs.278 Cr, which is a significant increase on the YoY basis. PAT stood at Rs.46 Cr for Q2 and PAT margins for the quarter stood at 16.4%, which is slightly above the guided range of 15 to 16%. EBITDA margin for the quarter stood at 20.3% well within the guided range, but down a point from the previous quarter due to a one-off FX loss that we had. This growth is driven by significant expansion in demand for our core offerings, as well as our entry into newer markets where we are increasingly succeeding because of the competitiveness of our product stack.

The most important highlight of the first half of the year has been the significant progress our teams have made on product build outs, as well as new market entries for both Banking as well as TIG. This progress doesn't show up in the quarterly results, but it's probably the most significant determinant of our ability to achieve Aurionpro's Vision 2030, and deliver industry leading returns on capital for our shareholders. We announced market expansion and deal wins across Americas, Southeast Asia, Middle East and Africa, and we feel confident that we will continue to see an acceleration of these based on the strong growth in pipeline and our ability to convert pipeline into deal wins across both the segments.

Banking and Fintech business continues to experience a very strong demand environment, and our win rates have been very good thanks to the competitiveness of our product stack, as well as the increasing effectiveness of our sales and delivery teams. We have especially made very strong progress on enabling our enterprise software in Banking with the very mature ML offerings from Arya.AI and that has especially enhanced both our win rates as well as the size of the revenue opportunity for our enterprise application stack. The last quarter was also great from the standpoint of industry recognition, with Aurionpro featuring as Global Category Leader across five of Chartis RiskTech Quadrants, as well as featuring strongly on the Global RiskTech 100 Report.

Coming to the TIG business. TIG has been focusing sharply on growth in transit payments and data center space, as well as recalibrating the business on the smart city side for better economics and cash efficiency. We have been talking about this, we have made tremendous progress on this and feel great about improving demand and economics on this side of the business through the rest of the year. TIG had a landmark win with Safe City Panvel project, as well as significant wins with strategic partners in data center business, which will set us up very well for a strong second half.

Our focus for rest of the year, going forward will be to stick to the strategy and do more of the same. Continue to invest strongly in R&D to support product build outs, especially around entering new markets, where we do need to build out some additional bits on the product to enable them for the newer markets, as well as to AI enable the product stack, as well as focus on execution and cash efficiency in some parts of the business, where we need tighter execution to wind down some projects that have struggled due to lead time that we need to build capacity to deliver.

As we look towards the rest of this FY and beyond, we feel confident about our ability to continue to strongly grow the business while investing in building capabilities and offerings that will fuel the long term earnings power for the firm. We are heading into the second half with great momentum, and feel good about delivering our guided growth of +30% and keep earnings margin within the guided bands. We will continue to explore inorganic options as well that complement our existing capabilities or enhance our presence in chosen markets to positively impact our longer term growth potential.

Finally, we extend our sincere gratitude to our employees, customers, partners and shareholders for their continued support and contribution to our success. With that, I will close, and I look forward to an engaging Q&A. Over to you, Aashvi.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vimal Jamnadas Gohil from Alchemy Capital Management. Please go ahead.

Vimal Jamnadas Gohil: So, my first question was around, on margins. Could you help us or rather, could you take us through various puts and takes of this 152-basis point decline, quarter-on-quarter and even on a YoY basis our margins have slipped to the lower band of our guided range. I do understand that you have given a guided range for the reason, but if you can help us explain the factors that have led to this particular decline, and then I have a follow-up.

Ashish Rai: Okay. So, look Vimal, thanks for the question. And you said this in your question itself. I have said this, as the pace at which we are growing it's hard to calibrate EBITDA margin down to a fine point, and that's why we give a range of 20 to 22. I would say there are significant investments that we are making in terms of supporting the products to expand into newer markets. Also, when you are building a product at rapid speed, even if you have order book to deliver there will be periods where the expense goes a little bit ahead of the revenue, and not to a significant extent, because we are very measured in where we make our investments, that's why we keep the 2% band, expenses will sometimes shoot up. So, we are expanding at a pace that we have never done before. We are entering new markets at a pace we have not done before. We are doing product build out, especially AI enabling the whole product stack like we have never done before. So, yes, there is a significant uptick in sort of both the head count as well as the expenses that are going in. But even if it's a little bit of lag, there's revenue to back it up. In this specific quarter, we also had a Rs.4 Cr FX loss, which is one-off and that is probably a point hit, or slightly more than a point hit on the EBITDA. But I would really advise you not to read too much into the quarterly EBITDA numbers, because honestly we cannot calibrate down to a fine point. So, sometimes it will go to 23, sometimes it will come down to 20 but by and large, there is nothing fundamentally changing from one quarter to the next in terms of business economics. That's what I would say to it, I hope that answers the question, but I would really advise you not to read too much on these numbers from one quarter to the next.

Vimal Jamnadas Gohil: Fair enough Ashish, thank you so much. Ashish, the second question was around our balance sheet and cash flow. So, what I notice is that, while the EBITDA growth has been very strong in the first half, hasn't led to generating operating cash. So, we have sort of reported a negative operating cash of Rs.66 Cr in the first half, which is of course led by the receivables and other assets. And I believe this is due to the increase in unbilled receivables. So, if you can take us, how do we sort of unwind this, how does the full year of FY25 look and how do we make sure that we return back to normalize the cash generation?

Ashish Rai: Yes, okay good. So, great question Vimal. So, look, cash flow would be a little bit cyclical for us, and I will probably try and explain the factors. But by and large, the headline story is, when we are growing parts of the business rapidly, the cash conversion will suffer. As the businesses come down to lower growth rates, the cash conversion will get better, that's too generic a statement, but that is at a headline level what really happens right. In terms of the actual factors that go into the (-Rs. 66 Cr) let me think through those. So, I would say one very large factor is, and I have to be careful, what I can sort of disclose, but we are in some M&A process, for large global asset, which is kind of a core sort of process. And there's been deposits that have been given, it sort of works two ways, either you succeed in which case we probably have an M&A. If you don't succeed, then the deposit gets returned back. But those sort of add up to the cash that goes out especially we need to show up on other assets or something. We do also have the unbilled part that you are talking about. It's not just unbilled, it's truly unbilled as well as receivables. But basically, we have had very large wins on the banking side, especially where we have had projects like State Bank of India, we have had wins in Saudi Arabia. We have had a very large global FinTech vendor where we built out new products which they are selling. These are actually pretty significant successes. But what really happens as we are ramping into these projects is that we are making progress we are accruing revenues in some cases we would voice those out, but bulk of the conversion will happen as we take these clients live. In the case of these large projects, most of these are within the year. And that's why I say, you would see some cyclicality between now and then. But by December, January, some of these large projects would be live. We would collect the cash before March. So, that will normalize, the inorganic process as well will normalize. We have had some also around the ESOP schemes that we rolled out to attract the right kind of talent and motivate our employees. We have had some outflow in terms of loans to advances to employees to enable them to on the ESOP schemes. So, that's also a material number. So, there's quite a few of these, but the headline story is, there will be some level of cyclicality in terms of cash flow conversion when we are going at rapid pace, especially parts of the businesses which are going at rapid pace. So, banking now is growing at +50%. So, we will start large projects, and the larger the project, the more the sort of mismatch that's likely to happen. We had the same problem when TIG was growing rapidly in the last couple of years at +50%. So, we slowed TIG down this year to focus more on cash efficiency, and that it will start showing up in the second half of the year. So, I fully expect by the time we get to March, a lot of these conversions would have happened and you'll see the result. But again, when we look at balance sheet from one quarter to the next, you will see some of these variances going out. I hope that answers the question, but I am happy to take a follow up on this.

Vimal Jamnadas Gohil: Yes, sure. If I may Ashish, so what you are saying is, by the end of FY25 we should be returning to positive OCF, and assuming I am not putting words in your mouth, but assuming that the growth rate continues to be strong in FY26, we should not see this kind of cyclicality or rather, lumpiness in cash flows, because TIG would clearly be growing lesser as compared to your banking business, correct me if I am wrong here.

Ashish Rai: True, so you are right, and that is the reason and then we have been very look, I have been totally transparent on this, why we have slowed down parts of the business, why we are accelerating other parts of the business, banking, other than the few large projects we have started off, tends to generally be fairly cash efficient, and we typically finish off most projects within 12 months. So, you would normally be very reasonably efficient. So, yes, by the time you finish FY25 it will be a different picture. But the second thing is also the mix of the businesses we continue to focus on it. What we need to really understand as managers, maybe even as Aurionpro shareholders is, businesses which go through rapid growth would not have the same predictability of cash efficiency as a mature business growing at 5% or 7% would and in the product business, it sort of becomes a bit more susceptible to the timeline of the projects going live. But having said that, I am very confident as we go from one financial year to the next, we will get much stronger-and-stronger as we go, because the bottom line is, banking software is fundamentally a business with very good economics, and it's growing at 50%. So, some of the cyclicality aside, by the time we finish the year, a lot of these projects will be live. By the time we get into FY26 we will be much stronger on the balance sheet than FY25. So, it will keep growing from there.

Moderator: Thank you. The next question is from the line of Karthik Iyer an Individual Investor. Please go ahead.

Karthik Iyer: I just had a couple of questions regarding TIG. Congrats on the Panvel order win. I just wanted to know what is the timeline for execution of that project, and what would it be, if you could throw some light on the margins we would be making on that?

Ashish Rai: Hi Karthik, so look TIG as I said, we maybe give a little bit of background on this. On the smart city side, we deliberately slowed down the business over the last year to focus on identifying the levers to getting better economics on that side. We obviously built up some fantastic IP we built up some fantastic capabilities on that side, but we wanted to be very careful as we get that business back to growth. Safe City Panvel we carefully selected as a business with the right sort of parameters where we bring enough value to the table for us to get the economics right. So, that is, again having said that we are still calibrating that side of business. But that is what our plan is, and hence the project, we will get most of the delivery done between 16 to 18 months, beyond the 12 months we will get most of the deliveries done. It is a multiyear project, but I would say on the outside at about 18 months we will get most of the deliveries done.

Karthik Iyer: And if you could throw any light on the margin for us?

Ashish Rai: Margin are kind of on this. So, I don't think we can specifically highlight the deal margins but it's high double-digits.

Karthik Iyer: Okay. And if you could throw some light on, is there any fresh order wins with regard to transit and anything that the order book for the data center space?

Ashish Rai: Okay. So, look transit side we have had significant traction in Americas. We have announced large wins in Mexico, which we are delivering against. We have had success in Costa Rica Ecuador, etc. We continue to double down on those. We are also now seeing some new progress in terms of closed loop to open loop movement in the US. We are involved in a bunch of POCs which we hope will translate into large scale sort of action on part of the government participants and the transit operators. So, we hope to see over the next few quarters a lot more action in the US market itself. Of course, California continues we are live in more and more cities and that progresses, but we feel the market is ready for more action in other states, states other than California. And there's a bunch of POCs going out. We are also now on the transit side, sort of seriously getting into Europe, both largely in terms of our partnerships with other larger players, so more as part of consortia than going directly ourselves. But there is a lot more traction there, and we have some very strong, well progressed pipeline opportunities in Asia, in let's say Southeast Asia, in a few countries. So, again, those should come to push over the next couple of quarters. So, transit has very strong traction outside of India. In India, we have had success with one of the metro projects, but we are being very measured in the kind of transit business we take on in India, globally the expansion would be a lot stronger.

The question around the data center space, we have had sort of significant order wins from Iron Mountain and Webwerks, which we have publicly disclosed, that business continues to grow. We continue to work on some on the R&D side in that business to hopefully be able to get some productized offerings out. But it's a long haul, it's complex to really get the productization right in that space, but we are working through it. The order wins are there so this year data center business should grow at a very good number but then it's been growing at that rate for the last few years, so it will continue to expand.

Moderator: Thank you. The next question is from the line of Ahan from Vimana Capital. Please go ahead.

Ahan Rajgor: Yeah, Ashish, congrats on a fantastic set of results and growing the business. Just one or two questions. One was on the order book. Could you please like give a breakup of the order book of INR 1,100 Cr between the TIG and the banking and fintech? And what sort of goes within the smart transit, data centers, and give a breakup of that?

Ashish Rai: Hi, Ahan. Thank you. So order book right now is in the range of, I would say, INR 1,150 Cr, give or take, right. And the split between the banking and the TIG business is roughly 40:60. I think banking we picked up a lot of new orders, but we've also been executing against those orders pretty rapidly, right. So, I think, it's still a larger share on the TIG order book, also thanks to some of the newer orders we picked up on both the data center space as well as Safe City Panvel and all, right. So that is where we are. Banking continues to pick up a higher volume of smaller ticket size orders and continues to sort of execute on those

Ahan Rajgor: Thank you. And across both the businesses, could you share a rough margin range, I know the blended one target guidance that we have got is for 22% around that range. But what would it be for individual segments?

Ashish Rai: There is a reason we don't get into segment wise margins because, this thing is one, the smaller you make the scale, the lesser you get the price stability in terms of margins. Having said, and that's why we keep it at a macro level. But having said that, I would say banking is anywhere between 4-6 points above the enterprise margin, and TIG, at the moment is probably 4-5 points below the enterprise margin. But then it really varies by the segment inside these segments, sub segment inside these segments, as well as the nature of work that you are talking about. So, the smaller you get, the less flexible your margin is, in some quarters it will be exceptional, in some quarters it will come down. So, then that's the reason we don't really narrow it down. Hopefully, by next year each of the segments scaled up enough for us to start publishing it. But at the moment, I would say, just as a general thumb rule, say 4-6 points above on the banking and FinTech side, and 4-5 points below on the TIG side.

Moderator: Thank you. The next question is from the line of Karthik Iyer, an Individual Investor. Please go ahead.

Karthik Iyer: So, one follow-up on banking, are we investing in a team to execute all the successful order wins that we are doing in the Banking and FinTech space?

Ashish Rai: Yes, Karthik so I hope you got my answer to the last question. So, on the banking team side look, I would say the number one focus for Aurionpro at the moment as well as the number one challenge in front of us is scaling up delivery capacity, it's all looks nice that we are growing at 50%, but it is complex. You need the full spectrum of skill set, so unlike a typical services shop where someone else defines what needs to be built, and then we are looking for a bunch of developers, we need a much more complex spectrum; full spectrum of skill sets to mobilize product teams. And it's not so straightforward. The second is, most of the capacity addition that we need to do on the banking side is people who implement our own application. So, you need to really train people up on the applications that we build and that also takes time. So, I would say, the lead time to really build capacity out is proving to be a little bit longer than we should have and that also sort of results in weakness in terms of cash conversion, because sort of it comes down, you need to have the capacity to take the client's live. You need to take the client's live, to convert the orders into cash and the whole thing adds up. So, we are working heavily on this. This is the number one focus item for us, we have instituted a new learning and development function inside Aurionpro to really step up how quickly we ramp up resources. We have built out internal training mechanisms because we can't find enough experienced talent out in the market, we are hiring heavily from the global peer group centers outside of India to be able to get the right skill sets. And that's the reason why we run R&D centers in Singapore, Istanbul and Vietnam. So, we are broad basing the talent base. We are instituting heavy investments in sort of internal training mechanisms to ramp up the teams. We have obviously added people so you can see that the head count is 2500+. But we are not a very resource intensive business but you need the right quality of skill sets. So, that is where the challenge is, that is where we are super focused on it. We have also built up the management bench. From time-to-time, we have sort of introduced people, the senior managers who joined in. So, we have hired the right set. I feel we have probably one of the most talented management teams in the industry today in terms of product build outs, and then we have added capacity at the lower levels question of sort of training them and ramping it up. It's a continuous process, and it's not that it's not happening fast, but I would be a lot happier if it happened a little bit faster than we are, and we will keep working at it. It's just the right question to ask but, I would say we need to keep working at it.

Also, on that point, sorry to just add the answer. We will probably try to deploy some, let's say not so organic approaches as well where we get an opportunity to quickly scale up talent so for example, on the AI side we were struggling for quite some time, but acquiring Arya.AI has really lent us a lot of strength in terms of talent coming in. Same thing on the lending side, when we acquired Omnifin, we really grew up the talent of the lending side. So, we will always be open for opportunities where the inorganic opportunities allow us to quickly ramp up on talent as well as obviously come with products and revenues which are relevant to us. But even just from a talent standpoint, some level of acqui-hire sort of opportunities, they do show themselves up and will probably act on those if they make sense.

Moderator: Thank you. The next question is from the line of Anmol Garg from DAM Capital. Please go ahead.

Anmol Garg: Couple of things. Firstly, we have shown very strong growth on the banking side of things. Now, can you envisage some of the areas where we are seeing this growth, particularly on the product side, which of the products are showing more traction versus the others?

Ashish Rai: Hi, Anmol thanks. So, banking is probably the two or three levers which are working for us at the moment. One the strongest area of growth is transaction banking at the moment. So, which is where we announced deal wins in Saudi Arabia, given the state of the pipeline and how well progressed the pipeline is, I am very sure we will announce more wins in that space going forward. So, that segment, and this is where again we won SBI, Canara Bank, et cetera last year growth. So this is a segment which is growing rapidly, where our win rates are, I would say, probably the best in the industry right now and the pipeline is very large. So, when you combine a very large pipeline with us being the player with probably the strongest win rates in the business that hopefully, not hopefully, I am very confident that translates into a very large number of wins, even in the future. But that's where the growth is very strong.

The second area where we see very strong growth on the banking side is where we have AI enabled the product stack. So, even the transaction banking side, part of the win rates being better than the competitors today is how AI enabled our product stack is right. So, for example in the transaction banking side, we have implemented a number of use cases, even in the wins we did in the past, like State Bank of India, the Middle East wins and all they go together with a lot of actual AI decisioning going into the product stack. That both improves our win rate there, but wherever we have AI enable the stack. We see just, it's just we have never seen this level of demand before on that. So, it's just unprecedented the scale of demand on the Enterprise AI offering, so that’s number two. And the third area where we have seen, let's say what the first half, pretty rapid growth, is the FinTech ecosystem, sort of partnerships that we built out with some of the global players, that has been a lot of those have gone from zero to very material numbers, even in the six months and for the full year there will be very, very material numbers. So, these FinTech partnerships, especially in the US, probably in the second half in Europe, will get some wins. Those are working very well for us. Those are the three major areas. Lending also, we have won a few deals that we announced, and it's growing as well, but those first three levers are like expanding very strongly.

Anmol Garg: Understood. Thanks for this. During your media interview you indicated that our US growth will be very strong in FY25 probably in the range of 60%, 70%. Can you again indicate that, would this be coming from the deals that we have already won, or is there a good pipeline over there from where this growth can come from?

Ashish Rai: So, I would say for the second half of the year, there may be one or two that convert from the pipeline, but most of the growth would come from deals we have already won. A lot of this expansion is around the third lever that I mentioned, which is the FinTech partnerships that we have struck. Also, because a lot of the IP that we provide is Singapore based, so I need to see where the revenue falls. But it's essentially the end US clients, mostly through the FinTech partnerships we see a strong growth. Bulk of it will come from orders we already won. There are deals in the pipeline, but the revenue contribution for those would probably be next year.

Anmol Garg: Understood. Lsastly I just wanted to dwell a little bit more on our cash flows, which have been a bit negative during the quarter. So, in here, wanted to understand that we have also signed a deal in the TIG space, which is the Safe City project for Panvel. Now, how is the receivables for this particular project versus the Company average. And do you believe that by the end of the year, as we execute through this deal, the receivables can be impacted a bit more by executing this deal?

Ashish Rai: I will probably split that up. The Panvel project specifically, we very carefully worked on it in terms of the payment milestones in terms of what the execution milestones are, so we feel good that it is not going to impose any additional pressure going in other than normal. There is a few TIG projects that I have talked about in the past where we know we have had pressure. We have had a very special team focused on executing these projects and getting these done in time, before end of the year. So, I feel that on that side, by the time we get into February, March, the execution situation would be very different and a lot of the cash collection priorities that we set in place would already be done. Panvel, specifically we feel good that we have because as you know we had slowed down that side of the business to really only be able to take business that we feel comfortable with. This is a project we very carefully identified. So, I don't feel this would really be, this would be pretty much a normal project in terms of both the execution milestones as well as collections. So, overall, that should get better. On the cash flow side, a lot of the pressure is coming in. What really happens is, whatever part of the business is growing the fastest, sort of creates that issue, because in the product business a lot of the cash happens when you take the client's live and if you are starting off a lot more projects than you are finishing off. It is just natural for sort of the cash collection to come under pressure. Plus, we have had the topics that, you were earlier in the call, so topics that I talked about earlier, which is around some inorganic opportunities which is one of opportunities which we feel we needed to play. So, we will see what the results of those are.

Moderator: Thank you. The next question is from the line of Pranay Roop Chatterjee from Burman Capital Management. Please go ahead.

Pranay Roop Chatterjee: Great, hello sir this is the first time I am attending this call, and I am new to the Company so, I have a slightly fundamental question. So, I was looking at your revenue mix and 70% is from software services, and around 30% is from sale of equipment and product licenses. So, given this information, I wanted to understand what is the recurring portion in your total revenue, like for example, if you are earning INR 100 Cr in a quarter, what proportion is from one-time sales, be it software or product and is there like a maintenance component or a recurring component which allows you to continue earning revenue over a certain period of time?

Ashish Rai: Yes, okay, thanks Pranay. So, look, the way to read the software services and product licensing, the difference is largely one-off versus what is either recurring, near recurring or implementation services. But a bunch of recurring revenue would also come into the product licenses mix because we increasingly do a lot more subscriptions. So, it's hard to read the exact recurring number in those numbers. Let me try and answer it this way. Split the business into two parts. You got banking software which does 55% you got TIG which does 45%. On the banking software side, I would say our recurring plus near recurring revenue is something of the order of 55% to 60% when the business was growing slower, when the business was growing at 15% that used to be closer to 65% to 70%. But now the business is going a lot faster so there's a lot more kind of one-off implementation projects, etc. So, recurring plus near recurring, so recurring is typically AMCs and subscriptions, and the near recurring is essentially like ongoing services with long-term existing customers like UOB or OCBC, etc. So, those would be 55% to 60%, and the other 40% will come from a mix of one-off licenses plus one of implementation projects, which typically are 12-to-18-month projects that we do when we take on new logos. So, that is the 55% banking business.

Coming to the TIG side, I would say the recurring mix is lesser. It's probably of the order of 25% to 30% and that typically comes from the long duration projects we sign in terms of transit revenue streams, when we sell software and equipment outside of India, like deals like California, Maldives, etc., these tend to almost be like software contracts, because we charge something up front, we charge an AMC, we charge an operations fee so those again become recurring streams with some one-off there. So, I would say there probably 30% if you added near recurring deals, which are long term services contracts around, let's say so cloud, for example, most of the cloud that we sell on the TIG site is around our own products, and these are long term, multi duration contracts. So, that probably climbs up another 10%, 15% in those sort of deals. So, that's the way I will look at it. Does that answer the question clearly enough.

Pranay Roop Chatterjee: That’s excellent sir, and gives me a lot of color on the business. Thanks for that, my second and last question sir, is trying to understand your revenue model. So, obviously, over the course of time, you have expanded into various different products and segments. But if I were to ask you, is there a predominant way you charge your clients like, either it be employee hour basis or in terms of some metric of how they use your software, how do you charge your client, is there one answer or would there be multiple answers?

Ashish Rai: So, there would be multiple answers depending on what IP that is. But typically, I would say for the banking software side, there are two models that we sell largely, which should apply to like 80% of the business. We sell term licenses, where we charge a one-off license fee, and then people pay AMCs. And the second is the subscription model, where both the license and the AMC would combine into one stream. So, typically, let's say, if you signed a $6 million five-year

TCO deal, typically one third of it would be license revenue. So, $2 million is licensed revenue, paid either upfront or paid over five installments over five years. The second is maintenance revenue, which is typically 20% so that's another $2 million over five years, so $400,000 per year for five years. And then the third is implementation fee of $2 million is typically a project that gets done over 12 to 18 months on average. Now these are like broad thumb rules. There are some other models in banking which are smaller in revenue terms, especially consumption-based models, where for example we sell an API call, and we are charging per API call, but those are not, I would not say that huge from a revenue standpoint, but those models also exist within the banking world. Yes, that is a predominant way, we have for example on the transit side and all we got very long term 10-year, 12 year contracts where there is revenue share and things like that. So, it depends on how you are selling IP and sometimes there will be transaction driven models. A lot of times it will be license driven models.

Moderator: Thank you. The next question is from the line of Hardik Gori from Alpha Plus Capital Associates. Please go ahead.

Hardik Gori: What is the current mix of TIG between Smart mobility and Data center?

Ashish Rai: Okay. So, TIG I would sort of put three slices to it. So, till last year, each of those were probably 1/3rd each so you have smart mobility, which is essentially the open loop transit payments stack that we that we sell. The second is data center and hybrid cloud, that is the second slice. Most of it is hybrid cloud is basically around our own applications by and large and data center is where we design and program manage the build of data centers. And the third slice is smart cities / government technology work that we do. I would say this year the mix is, so last year, it was probably a third each out of the 45% that goes on the TIG side. This year, I would say the smart city side is totally going to be a little bit smaller, so it's more like, I would say 35, 40 and so they are about 20, 25 on the smart city side. So, that's roughly the mix.

Hardik Gore: Okay. And what is it that we are expecting say, in the next three, four years?

Ashish Rai: So over three, four years I do not like giving guidance that far out. And there is a reason for it, so the way to look at it is this, we have a stated Vision 2030, externally there is a qualitative view that we publish, which says in each of the spaces that we are in, we want to be a top three global player, internally we have a quantitative number against each of those. The reason that quantitative number is not very important over a three-to-four-year horizon is, we will keep on calibrating the growth as we go. Typically, the business as a whole we are saying we grow in the range of 30% that's what we have done for the last four years. That's what we feel like we can keep on doing for a long time. But inside it, we will keep on changing the pace at which businesses grow, because in the product business it's fundamentally very risky to keep your foot on the pedal all the time. What really happens in the service business, if I want to sort of grow 100% I double the number of people who have the right skill set, if the job is largely done, you of course need to do the projects. In the product business, if you try and grow too fast, there are lots of interconnected pieces. Some pieces will break if you go too fast. So, we will keep on resetting the sort of growth. So, banking, for example, last two years was growing a lot slower, 15% last year, 30%, 15% the year before, because we said we want to focus on product build outs, we don't want to grow, now it's growing at 51%. TIG was growing at 55% the year before, last year 33%, this year we slowed it down even more because we say we want to focus on some IP build outs we want to focus on calibrating the business for better economics. So, within, so I would not put too much sort of emphasis on sub-segment level planning for the next four, five years, we will broadly these are very large basis. If you are a top three global player by 2030, obviously you are not growing at 30%, 35% because at 30%, 35% the business becomes maybe 4x, maybe 5x over the next five, six years. If you are a top three global player, you probably have to be much larger than that. So, we do expect sometime between now and 2030 we will hit inflection points for various businesses where we can really step up the growth. When that time comes, we will come and talk about it, till that time, I would say the enterprise level, we try and target a 30% odd range within that, some businesses from the time and time will grow faster, and some businesses will slow down, and we will sort of pace it that way. I know it's probably a pretty long winded answer to something which should be a pretty straightforward question, but that's the way we think about it at least, hopefully that helps.

Moderator: Thank you. The next question is from the line of Ankush Agarwal from Surge Capital. Please go ahead.

Ankush Agarwal: So, Ashish would be possible for you to share some more bit details on the possible M&A that you are alluding to, is it like an operating business that you looking to acquire, or is it like a specific IP that you are looking to acquire if you can share?

Ashish Rai: I can't share too many details it's an operating business yet, but I can't share it's sort of a pretty complex process, I can't even say we feel confident about doing that. I just mention that because there is a question about cash. So, we are always actively in a lot of processes that don't really pan out. So, I would not kind of spend too much time on it.

Moderator: Thank you. Ladies and gentlemen we will take this as the last question. I now hand the conference over to Mr. Ashish Rai, Vice Chairman and Group CEO for closing comments.

Ashish Rai: So, thanks everyone for taking the time out of your busy days to come and join us on this call. There is really no significant changes to what we do, we do more of the same. We focus on building the products out, we focus on R&D, we focus on expanding to newer markets, we focus on our partnerships. We really value you spending time to try and understand us. I look forward to seeing you again next quarter. Thank you.

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

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