

Date: November 19, 2024

To, The Manager Listing Department Bombay Stock Exchange (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 Scrip Code: 544235	To, The Manager Listing Department National Stock Exchange (NSE) Exchange Plaza, 5th Floor Plot No. C/1, G-Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Symbol: ORIENTTECH
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SUB: TRANSCRIPT OF Q2 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 Q2 FY25 held on Tuesday, November 12, 2024. Kindly take the same on your records.

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



Ms. Nayana Nair
Company Secretary and Compliance Officer
ACS-65753





Orient Technologies Ltd
Q2 & H1FY25 Earnings Con-call
12th November 2024

Management:

1. Ajay Sawant - Chairman & Managing Director
2. Sunil Arora - Chief Financial Officer

Orient Technologies Limited
Q2 & H1 FY25 Earnings Conference Call
November 12th, 2024

Moderator: Ladies and gentlemen, I am Farah, moderator for this conference call. Welcome to the Conference Call of Orient Technologies Limited arranged by Concept Investor Relations to discuss its Q2 and H1 FY25 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 are in the listen only mode. Later, we will conduct a question-and-answer session, at that time if you have any question, you may enter “*” 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: Thank you Farah. Good afternoon ladies and gentlemen. I am Ajay Sawant, Chairman and Managing Director of the company. Along with me I have our CFO, Mr. Sunil Arora is here on the call. I would like to express my sincere gratitude to all of you for taking the time from your busy schedule to join us for today's earning call, which is primarily for discussing Q2 & H1FY25 results.

Firstly, I would like to give you some background about our company, followed by financial and then we shall proceed to the question-and-answer session. I hope this flow will help all of us. We recently made a positive debut on the stock exchange in the month of August. So to be specific, we got listed on 28th of August. 2024. Our IPO received an overwhelming response by the investor community, and we are really thankful to them. This marks a milestone in our journey of our company. We are primarily a service provider in the information technology world. We have been serving the entire community for last more than 27 years.

Our business is categorized into three different segments, primarily into IT infrastructure products and solutions that is number one, LOB, which will consist of two business units, which is end user computing and data center solutions, which contributes to around 63% of our revenue.

Second business unit is, we call it as cloud and data management services, which is our LOB, under which again there are two business units, which talks about cloud and DevOps and

digital transformation we say. This particular LOB contributes to 21.33% of our entire H1 revenue. And the most important revenue is third LOB which is IT enabled services, which consists of cyber security services as well as all the services in terms of we call it as a ITSM services which contributes to approximately 16% of our H1 revenue. We serve diversified sectors such as BFSI, government, IT, healthcare, broadcasting, media production and distribution and other segments, which we call it as a mid-market. Majority of our customer base is in India. Though we have a branch in Singapore, we serve mainly our IT customers from Singapore, and we bill it from Singapore. We are strategically positioned to capitalize on the growing opportunity in the cloud and data security sectors. Our focus remains on scaling our offerings, driving customer centric innovations and delivering long term valued for all our stakeholders.

The performance demonstrated this quarter underscores the resilience of our business model, as well as the continued strong demand for our diverse range of services and solutions. Those significant investment in innovation and the expansion of our service portfolio. We are reinforcing our leadership in the industry and ensuring that we meet the evolving needs of our customers. If you see the Q2 highlights, we are already put up that yesterday night after our board meeting on various exchanges, and SEBI, plus the investment deck is also available on those exchanges, and it's been circulated to all the analysts. I hope everybody has received it. But to give the highlight perspective, we have total income of around Rs. 225.07 crore in Q2 of FY25 against Rs.149.31 crore against our last quarter which is Q1 of FY24, showcasing a growth of around 50.74%. If I consider a revenue from operations perspective, which is quarter ended September 30th, 2024 we stood at around Rs.223.14 crore, as compared to Rs.148.85 crore against our last quarter which is Q1 of FY25 showcasing a growth of 49.92%.The EBITDA, if you consider in Q2 of FY25 was Rs.20.72 crore vis-à-vis with Rs.13.65 crore in Q1 FY25 which is again showing a massive growth of around 51.76%.

Overall, the company's EBITDA margin stood up at around 9.21%.If I get into the earning per share perspective, Q2 FY25 we stood at 4.15 as against 2.59 of Q1 FY25 showcasing a growth of 60.25%,this is as far as Q2 number goes. The highlights of H1 FY25 vis-à-vis H1 of FY24, the total income stood at around 374.38 crore in H1 25 vis-à-vis 268.17 crore in H1, of FY24 which is showcasing a growth of around 39.61%.Revenue from operations in H1 of FY25 stood at around Rs.371.99 crore as compared to Rs.266 crore of H1 of FY24, showcasing a good growth of 39.68%. EBITDA, which stood at Rs.34.37 crore in H1 of FY25 as against Rs.24.65crore of H1 of FY24, showcasing of great growth of around 39.42%.

The company's EBITDA margin stood at around 9.18%. If I get back to the EPF in H1 of FY25 we stood at around 6.70 vis-à-vis with 4.68 in H1 of FY24 showcasing a growth of around 43.07%.From a segment perspective, the majority of the business came from the mid-market segment. Mid-market, when we consider mid-market, it includes infrastructure, real estate, logistics, education, e-commerce, commemorates, energy and service industries. This has

contributed towards a 53.89% of our total H1 revenue. BFSI has contributed to 19.62% of our total revenue, IT customers has contributed to 9.17%, government and PSU has contributed to 8.15%, communication customers have contributed to 6.36%, and healthcare and pharma contributed to around 2%. This is what the majority of our customers has contributed.

There are various milestones and new business expansion that we have achieved during this H1 part of it. Let me tell you that from a client growth and increased revenue perspective, Coal India is one of our important customer who has added two more subsidiaries, further increasing the demand of cloud services and contributing to a growth in Orient Cloud services revenue. There are many multi-year contracts with leading institutions like SIDBI, NEML and BECIL, which is Broadcast Engineering Consultants India limited. National e-markets Limited, all have contributed for our multiyear contract on cloud.

Strategic empanelment, we have worked with the PSB Alliance. As you all know that PSB Alliance is a nothing but a consortium of around 12 public banks, which are combined together and they have empanelled Orient, as cloud service providers. So hopefully we will be going back to them and talking about the cloud services to them, and we hope to get a huge revenue coming from these 12 public sector banks. The empanelment allows public sector banks to seamlessly adopt AWS cloud solutions without needing for a separate procurement. So that helps us, because the prices are fixed for all these 12 public sector banks, and they need to choose the partner like Orient, and we can go on doing business with them now. This also supports the government of India's enhanced access and service excellence agenda, driving digital innovation in the financial ecosystem. From a strategic multiyear technology services deal. Orient Technologies has secured several strategic multiyear technology services deals with prominent companies, which I can't mention the names, as I do not have a consent with me right now, but once we get into more and more interaction with those customers, we may get those concerns to openly share their names. This has further solidified our position as a leader in the industry. These long term partnerships and planning diverse sectors such as finance, healthcare and energy, public sector and manufacturing will enhance Orient service offerings and drive sustainable revenue growth. Through these collaborations, Orient aims to co-create innovative solutions, leveraging cloud computing, data analytics, AI and automation, empowering clients to achieve scalability, security and operational excellence, while reinforcing Orient commitment to business.

We are delighted to report another quarter of exceptional performance as Orient Technologies continues to deliver remarkable growth and operational strength. Our revenue and profitability has risen significantly, a testament to the power of our strategic vision and the cohesive efforts of our teams across all business units. Every member of our Orient family has contributed to this achievement, embodying our values of resilience, innovation and collaboration. As we move into Q3 we have a robust pipeline in place filled with high potential opportunities that we are excited to bring to fruition. With a stable market environment, Orient is well positioned to accelerate its momentum and pursue ambitions

growth objectives. We remain committed to pushing boundaries, unlocking new possibilities to our clients and driving sustained value for our stakeholders. The journey ahead holds immense promise, and we are ready to seize it with confidence and purpose. I hope this gives a complete financial understanding of our business, and now I keep it open for question-and-answer if you have any.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of Hiren from Axis. Please go ahead.

Hiren: Just two small questions. One is, on your CAPEX plans going forward and second is, I just missed the starting of the conversation. So what was your total order book, I believe at the time of the IPO, it was Rs.101 crores. So on your current order book, and how do you see your order book growing going forward?

Ajay Sawant: Okay, thanks Hiren. I hope you understood the entire numbers, as you said, that you missed some initial portion of it.

Hiren: Yes

Ajay Sawant: Yes. So, our H1 growth is approximately 40% which is 39.61% to be precise, in terms of income and revenue from growth is 39.68 over last financial year. EBITDA growth of around 39.42% over last year and EPS, we have grown by around 43% this is our as far as H1. Coming back to the CAPEX investment, let me honestly share with you that all the IPO proceeds which has come was mainly towards two parts of our business. One was, DaaS and as you know that we got listed on 20th of August, we are not utilized much of our amount for that because we got only one month till 30th of September, to utilize those proceeds. But majority of our CAPEX investment will get into building our own stock for which we have taken a property in market, and that payment has been made from the IPO proceed, as per our RHP. So those investment in terms of taking the property is already done, and hopefully we will be getting the possession of this property by January, and after that, we will be building our security operating center there, for which we require some CAPEX investment there, so all the IPO proceed for the building up of stock will be consuming in Q4 of FY24. So, I hope you got the CAPEX investment perspective clear. Your next question of order in hand, we have a total order which will be billing as of now is Rs.165.51 crore.

Moderator: Thank you. The next question is from the line Darshil Javeri from Crown Capital. Please go ahead.

Darshil Javeri: Just wanted to know like now we have performed extremely well right now. So what kind of growth trajectory are we seeing at, what kind of revenue guidance could we have for maybe FY25 and even beyond that sir. And with the higher revenue, how will we see our margins

moving because, would we get some operating leverage, that can take us to double digit margins?

Ajay Sawant: Thank you for asking this question, and yes, we see a growth trajectory for next three years. Okay, may not happen quarter-on-quarter, but year-on-year, for sure. We are expecting that the double digit margin should come by the, very soon because we are at 9.2% average margin which is there currently. So very soon, we should be able to do more of operational efficiency as our total revenue growth and once that grows up, I am sure we will get into a double percentage digit margin.

Darshil Javeri: And sir in terms of revenue, what kind of growth can we expect?

Ajay Sawant: Year-on-year you should expect around 30%, 35% growth year-on-year I am just saying. Though quarter-on-quarter this may differ, this quarter we have grown by around for more than 50% over Q1, but I don't see that happening going to be on every quarter.

Darshil Javeri: No, fair enough, sir.

Ajay Sawant: You understand that there are a lot of holidays because of Diwali, Christmas and New Year. So Q3 you may see 50% over Q2 will be difficult.

Darshil Javeri: No, that's very fair sir, I can't expect that kind of growth. But in general, 30%, 35%. And sir just wanted to ask, the order book we mentioned so, could you clarify what would be the term of the order book, we said 151 crores?

Ajay Sawant: Rs. 165 crore is the quantum of the order book which I am right now having it, which will be all billable in H2.

Jashil Javeri: So, what kind of deals like, we said some strategic multiyear deal. So, what is our current pipeline for orders, how are we going forward for it?

Ajay Sawant: Okay. So current order pipeline, which is there, which is a huge pipeline, I am expecting being Q3 it will be slightly slow, the reason being, there are holidays, and people will be on leave. So, I expect the current pipeline should get closed in Q4 but the multiyear contract, as you mentioned, they will start billing to the customer on Q1 basis of FY26.

Moderator: Thank you. The next question is from the line of Harshit Agarwal from Nuvama Wealth. Please go ahead.

Harshit Agarwal: Couple of questions from my side. The first one is, can you throw some light on the current industry size for data centers in India?

- Ajay Sawant:** Okay, so if you see how the business is growing in India domestic level perspective. Domestic IT services industry is growing at a CAGR of around 7.5% to 8.5%. The data center is growing at a rapid speed, especially at 9% in India. And total size, which if you see, it is coming out to be Rs.5400 crore by year FY28. So this is what the current potential which we are supposed to address. So, I see a huge opportunity coming in, in near years, next three to five years in the data center space. CAGR is good because the data center brings a lot of services along with it. So both put together, it will be more than 10,000 crore opportunity, which is available in India itself. And that's why, if you see our major focus is going to be in India, and we want to expand geographically, our major revenue is coming from where it is, Mumbai, Pune and Ahmedabad, and we want to increase that substantially in other cities like Delhi, Bangalore, Chennai, Hyderabad, where I expect a big growth in coming years.
- Harshit Agarwal:** Okay, thank you. And can you guide us in terms of the revenue which the company is looking for in next couple of years and how we can expect the company to grow?
- Ajay Sawant:** So this year, we are expecting around a good growth compared to last year. vis-à-vis Rs. 600 crore revenue last financial year. So that is where I was just saying that we will grow around 30%.
- Harshit Agarwal:** Okay, sir. And sir last question from my side is, what is the current revenue per employee for the company and the attrition rate the company is seeing?
- Ajay Sawant:** So current attrition rate in Orient is around 15% to 17%.
- Harshit Agarwal:** And the revenue per employee is the company?
- Ajay Sawant:** Around Rs. 50 lakh per year.
- Moderator:** Thank you. The next question is from the line of Karan Negi and Individual Investor. Please go ahead.
- Karan Negi:** My first question is, what is the revenue from your top 10 customers?
- Ajay Sawant:** So current top 10 customers contributes to around 25% of our overall revenue, to be precise, 24.83%.
- Karan Negi:** Okay, and the question I would like to ask, what is the typical margin profile of each of your customer segment?
- Ajay Sawant:** So margin profile ranges between gross margin I can talk about, so that depends on product to product and LOB-to-LOB, but typically it ranges from 12% to 17% as my gross margin. For services of course, we have a good margin of around 25% and cloud and data management will be in the range of around 20%.

Karan Negi: Great. So, when you say about the products for cloud and data management. So can you please enlighten us more on what all products we offer to your customers?

Ajay Sawant: Okay. So on Cloud, we offer all the kind of services like infrastructure as a service, software as a service, platform as a service. So we go all out and position more of services on AWS or Azure kind of cloud, and then on a data management perspective, we provide the analytics, RPA, mobility, those kind of solutions to the customers. So robotics, process automation, as well as the business intelligence. These are the things which most of the customers are asking for services on top of it.

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

Chinmay Shah: Sir, as you were aspiring to sales for Orient say, 900 crore for FY26 or say, 1200 crore for FY27, so is it possible for you to share the revenue generated from the data center and cloud business, say in next two, three years in the percentage terms of total sales, that's it.

Ajay Sawant: So it will be very difficult for me to bifurcate each BU perspective numbers today, because the customer demands will keep on changing time and again, because the business is dynamic. So naturally, every customer will come out with different numbers, but data center solutions will contribute to approximately 25% of our overall revenue, is what I can promise every year.

Moderator: Thank you. The next question is from the line of Adish Malani from Malani Family Office. Please go ahead.

Adish Malani: I would like to know, is there any specific reason our revenues from data center solutions and end user competing in last few years have been very sluggish. This half has been good, but last three years we have not grown there much?

Ajay Sawant: Correct. So, as you see that LOB number one which consists of IT infrastructure solution, which has two business units, data center solution as well as end user computing. End user computing is a very, competitive business and the margins are slightly eroding in those business and that's where we are not focusing for that piece of the business. But we are more focusing on the other two LOBs, which are cloud and data management, and IT enabled services. So we are focusing more there, and there is no effort we are putting in increasing the end user computing business. Of course, whatever comes we have to accept, and we keep on doing that business. I am not saying that business will not grow, that business will of course grow but there are no conscious efforts to grow that business.

Adish Malani: Okay, sir thank you. So, I would like to know as the mix changes in three years what kind of margins are we looking at, and right now we are at 9% but in three years given that your low

margin business volumes, might not grow very aggressively, but the other verticals will probably, if you are looking even at 30%, 35% CAGR, then still as a company if the top line goes double, the share of other services, I assume will go up, which have higher margin. So what kind of margin profile we are looking at probably two years, three years down the line?

Ajay Sawant: So, in next three years considering the revenue growth and operational efficiency with the product mix changes, I expect around 30% EBITDA growth. So, we will move from 9.12% to around 12% to 13% of our EBITDA.

Adish Malani: This is in three years right?

Ajay Sawant: In three years, yes.

Adish Malani: Okay. And is there any specific reason, even we are IT company are still working on such low margins?

Ajay Sawant: See, we are mainly India based operations, so most of our revenue comes from India the moment we expand ourselves in other countries like US or Canada or UAE for that matter. I hope the margin profile will increase definitely and with the product mix and all other expertise that we possess here, if we start utilizing that in UAE, USA or Canada, I am sure the percentage of margin will definitely go up.

Adish Malani: Okay. And from a strategic point of view, now that you have IPO proceeds in hand, and probably a better visibility things like PSB Alliance happening. Where is the company looking to move, and what are your key targets or goals to be achieved in the next one year, one, one and a half years?

Ajay Sawant: So first and foremost, we are trying to get headway in the cyber security space, because that is something which is more demand from the customers. Every customer, every boardroom is talking about cyber security, and they are worried more. So we will be definitely capitalizing on that market. Second is of course, the cloud and data management, where every customer who has implemented SAP or any kind of an ERP solution, they need analytics. They need a business intelligence out of it. They have tons of data, but unfortunately, that is a raw data for them. They are not able to use that data for business intelligence. So, that is where I feel analytics will shape up, and we want to capitalize that. Third thing is, everybody is talking about a digital transformation, where everybody wants to get into more and more automation, and that's where our RPA team will be able to help them in doing the robotics process automation for those customers. So, this kind of a profiling and this kind of a business will be able to help them to grow the numbers and the bottom line.

Adish Malani: Got it. Also sir right now, what is the share of cyber security as a part of total revenue composition?

Ajay Sawant: So, currently it is less than 10%. And we are planning to increase it year-on-year. Of course, that business model once we set up the stack, once we do that kind of investment, and once we start getting the customers, then the entire world is open for us. So, first couple of years, it will be slow, but after that there is a huge market I see in cyber security space.

Adish Malani: Got it and sir, how does it work when you do a contract with the company. So, you have given the bifurcation of revenue, but when you pitch to a company, is it more like you also provide the IT infrastructure data center solution, and then on top of it, you sell the same customers our IT managed services and our cloud data management services, or is it like you have different customers for different verticals?

Ajay Sawant: So each customer has a different demand. So, some of the customers want to move on to the cloud. Some of the customer wants to be on premise. Some of them want to be in the data center co-location space. So, it keeps on changing from a customer-to-customer, because their compliances, their restrictions, their management takes that call, but we are open to give any kind of a services, whether it's on Cloud, whether it's on premise, or whether it's on a co-location data center.

Adish Malani: Got it. And sir what is our customer retention ratio right now. How many customers have we managed to retain over the past couple of years, if you can give just an approx. number, approx. percentage?

Ajay Sawant: Very honestly, I am not losing more contract. But, the good part is we still retain 80% to 90% of our customers, every year we get the contract renewed. So most of the customers retain with us, until and unless they get into a financial challenges they are with us.

Adish Malani: Got it. And when we get new customers on-boarded, are majority of these customers shifting from some other provider to you or is it the case that most of them are generally starting some greenfield projects and they have come to you?

Ajay Sawant: So yes, we have both the set of people. Some of them are moved from some other partner to Orient. There are set of customers who are greenfield customers as well. The startups, mainly, the new startups we try to acquire them as well in our customer new logo. So we have two policies one is of course the retention policy that whatever customers we have, we try to retain them and try to sell them other piece of business. Meaning somebody is offering my managed services on premise, and if he has some workload on cloud, we try to move them on cloud. Whoever is on cloud there we can try and go and sell about our analytics business. So, we call that as a cross selling. We do that with our set of customers who are our existing customers. At the same time, we have another strategy where we have a acquisition of a new customers, a new customer doesn't mean it has to be a new logo or only startup, but a customer from x partner to Orient.

Adish Malani: Okay, got it. Both that comes from both the side, got it. Just one last question, sir. So if you could just tell us about the opportunity that comes with PSB Alliance, given the current state of public sector banks is not that great, and maybe a lot of them are, what is their infrastructure right now, are most of them on premises, and are they willing to move to cloud, or are many of them already on cloud but are looking for multiple options. How is the scenario right now? and how big is this opportunity for Orient, and how much size of the revenue can just come from this PSB Alliance, probably three, four, five years down the line?

Ajay Sawant: Okay. So, I can give you a view of our next three years. As you know that PSB Alliance is a consortium of 12 public sector bank and they are huge banks. All these banks are currently, on premise, their entire IT infrastructure is on premise. RBI has, now come out with a circular where some of the workload they have to move on cloud, for which PSB Alliance has taken quotes from many vendors, with many cloud service providers, and PSB Alliance has selected Orient Technologies and empanelled us, along with AWS for all those workload which we can move it on AWS Cloud. Now, we are doing lot of marketing investment currently with the PSB Alliance with all those 12 public sector banks to make sure that they understand what are the new offering, we will be giving it to them on Cloud, which will save not only the cost, but bring that agility in their businesses, that will open up a huge business and which we are feeling that over a period of three years, it will be a minimum 100 crore kind of an opportunity for partner like Orient.

Adish Malani: The alliance is between PSB and AWS. So in this alliance, given that AWS is already the market leader, and many will definitely want to move to AWS. How much will Orient have to compete with other players to get this business?

Ajay Sawant: There is no other player, there are only two players. Only two players will be playing in this, one of them is Orient.

Adish Malani: And this is not likely to change?

Ajay Sawant: This is for next three years, they may change after three years, but if we give good service, and if they are happy, while they will move, but typically once you go on to cloud this is going to be as it is right.

Moderator: Thank you. The next question is from the line of Tej Patel from Niveshaay. Please go ahead.

Tej Patel: Just a follow up question on the previous participant. You said Rs.100 crore total opportunities in next three years, right?

Ajay Sawant: Yes.

- Tej Patel:** Got it. And, sir, I just wanted to get an understanding on, you are a AWS MSP partner, so how if I see the competitors, every competitor is an Amazon Web Service Partner, but not an Amazon Web Service MSP, it's only you and Hitachi has got their status,so just wanted to an idea on how hard is it to move from a being a partner to being qualified to sell one of the services of AWS. And, get more projects from a AWS on other projects as well.
- Ajay Sawant:** So to work in the PSB environment, you will need a different skill, because there are certain guidelines that the RBI has set. So as an MSP partner, we need to understand how the PSU banks work and how you can cope up their workload. Move it from on premise to cloud, and once they move on the cloud, how you manage it. So number one is the application modernization, because on premise and cloud applications will be different. So application modernization is one thing, and then managing it on cloud is another challenge. So you need to build those skills for managing and even application modernization. So these are the two skills you need to build, then you become, then the AWS certify you as a MSP partner.
- Tej Patel:** Okay, got it. And you have got a contract with PSB for three years only. After that AWS might choose another partner also is my understanding correct?
- Ajay Sawant:** The choice is not with AWS, the choice is with the PSB Alliance. So PSB Alliance has selected cloud service provider as AWS and MSP partner as Orient.
- Tej Patel:** Okay. And the revenue from this PSU would start coming in from the second half?
- Ajay Sawant:** Yes, hopefully by Q4 we should start getting into this, we are right now doing all the road shows and all those things for all those 12 banks, making them understand how it is going to benefit them, what are the guidelines.
- Tej Patel:** Okay. So, from this third quarter or the 4th Quarter, the revenues would start coming?
- Ajay Sawant:** I expect from 4th Quarter.
- Tej Patel:** Okay, got it. And sir the order book that you mentioned of 155 crore, that is only one time scale, that's not the recurring revenue?
- Ajay Sawant:** No, it has both the component one time as well as the recurring revenue.
- Tej Patel:** Okay. Can you just distribute it, is it possible to split between?
- Ajay Sawant:** Currently, I do not have that data, but if you need, I will be able to give it to you in totality, the complete breakup, I can say that, out of Rs.165 crore, Rs.62 crore is of cloud, which is renewable every year-on-year, and billable every year-on-year, services is around Rs.51.75 crore and balance is all a one-time billing you can consider it.

- Tej Patel:** Got it and sir the PSB would be one time, or would it be recurring?
- Ajay Sawant:** Once the workload will go on cloud, it will be recurring. Cloud is always recurring.
- Tej Patel:** Okay, so it will go beyond three years to you also?
- Ajay Sawant:** Yes, then same customer will continue on the cloud.
- Tej Patel:** Got it. Your end user, your target customer would primarily be the SMEs?
- Ajay Sawant:** We are concentrating more there currently, but it may change over a period of time. Current, our business is more of a mid-market business, and that's why it contributes to around 53% of our revenue coming from the mid-market. But as we grow more and more, the enterprise and BFSI, once the PSB start speaking government and PSB will grow.
- Tej Patel:** Got it. And sir how much was the recurring revenue this quarter?
- Ajay Sawant:** This quarter recurring revenue will be slightly difficult to tell right now, but it should be in the range of around 35% to 37% because any recurring revenue is between cloud and ITeS revenue is recurring revenue.
- Tej Patel:** Okay, got it. And to sell, let's say especially the infra business. Do we do it through, do we have some support system who approaches client, or do we have dealer network in between, I just wanted to.
- Ajay Sawant:** We directly sell there's no dealer network, we only work with the end users. These are our corporate customers.
- Moderator:** Thank you. The next question is from the line of Ashish Gadia from Asian Info. Please go ahead.
- Ashish Gadia:** Sir, I want to understand a couple of points,. And so given the LOBs that you have one, two and three, what would be the composition of these LOBs going forward and within LOBs, do you also have composition of different service lines, since we have raised money for that. So what would be, the component of that in those what would be the component of managed services in those projections?
- Ajay Sawant:** Ashish LOB number one, which is my IT infrastructure products and solutions, which is currently in the CAPEX mode which we want to move it into the OPEX mode, because that's very competitive market, and that's where we are trying to do some value add to the customer in terms of that.

- Ashish Gadia:** So, for example what I am saying is, let's say year one 750 crores is the revenue that we are projecting, example and out of which data center constitute might constitute around 20%, 25% of the overall revenue. So what would be the composition of that for which we have raised, the funds from IPO, and what would be, let's say high margins like managed services, clouds, any compositions of that?
- Ajay Sawant:** So we have raised Rs.64 crore from IPO proceeds for that. So, maximum business that I can do on that is only till 64 crores. We are already doing this gas business currently through our own money. But that revenue is very miniscule revenue compared to overall numbers.
- Ashish Gadia:** Managed services?
- Ajay Sawant:** Managed services currently contribute to around 15% of our overall revenue.
- Ashish Gadia:** So around Rs.50 - 60 crores of the overall revenue?
- Ajay Sawant:** Correct.
- Ashish Gadia:** And what would be this, this percentage is going to go up in your projections over next three years?
- Ajay Sawant:** From the manage services we were trying to move from 15% to 25%. In next three years, we will be moving managed services from 15% to 25%, ITwe will be making it to 25%.
- Moderator:** Thank you. The next question is from the line of Sunil Sharma from Green Energy Era. Please go ahead.
- Sunil Sharma:** My question already with many said in the past related to PSB Alliance. Sir first of all, we have all public banks there, and the data is huge there. So for single for example SBI, and data is huge so if you shift their 10%, 20% data this is going to be huge opportunity because for clouds you get this recurring revenue. So, how big this opportunity for you as a partner, because AWS has selected you and Hitachi. So if you get, even three, four big banks then definitely the opportunity is big. So that what expectations from this alliance or this you got from this partnership?
- Ajay Sawant:** Sunil, thank you for your question. PSB Alliance empanelled us as a cloud service provider for the 12 PSU banks, which itself; I feel is more than Rs.100 crore kind of an opportunity. More and more banks wants to move on cloud from their currently on premise space, and the more we capture, the more we talk to them, the more we make them understand what cloud can bring it on them, on their premises, whereby rather than on premise to cloud, what business benefits they will able to get, the more they understand it, they will able to use more and more cloud. So, I feel a huge potential in this cloud usage and along with that cloud, we will

be able to be giving them the cloud services. Where we are able to make big business from this 12 PSU banks.

Sunil Sharma: Okay, sir very good. And sir, I just want to this question is related to dividends. But because we are not expecting this much of good dividend 18% interim dividend that you have given, so can we expect the same for every quarter or half yearly, Because, we are not expecting this much also?

Ajay Sawant: Sunil, very difficult question and very difficult to answer, I can't predict, it has to be discussed in the board meeting and then only decided. But yes, I can promise you one thing that, last so many years that we have been in this business, we are giving dividend every year, whether it's every quarter or not I will not be able to answer, but every year, I can promise you that we can able to give you the dividend. That's a track record of Orient, you can very well go on to the ROC and check that every year we are giving dividend, but I can't promise whether I will be able to give every quarter or so.

Moderator: Thank you. The next question is from the line of Srimi K from EIA. Please go ahead.

Srimi Ka: Most of my questions were answered. Thank you.

Ajay Sawant: Can we take the next question?

Moderator: The next question is from the line of Tej Patel from Niveshaay. Please go ahead.

Tej Patel: I just wanted to get an idea on how long this cloud service contract goes on, or any recurring revenue goes on, is it like 20 - 25 years, or is throughout the lifetime till the company chooses to shift it?

Ajay Sawant: So, it depends on the customer how he wants to use his workload. So every workload has a different life. So general contract the people will do is between three to five years, and then, depending on the dynamics of the business, they will either continue to work or they will discard that workload and come up with a new application, because application modernization is definitely happening across the industry, but most of the workloads I have seen run for three to five years on cloud.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for closing comments.

Ajay Sawant:

So, thank you all the ladies and gentlemen for your patient hearing and good question and answer session. I hope we could able to answer all your questions and clear all your doubts. I would like to thank all the participants again to attend our call taking time out from their busy schedule. If you have further any queries, any given time, please feel free to ask any questions, and I would request you to please get in touch with us. We will be more than happy to address your questions. Thank you once again, thanks Farah for having it, and thanks Gaurav and the entire Concept team for having this conference online. Thank you once again.

Moderator:

Thank you very much everyone. On behalf of Orient Technologies Limited, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.