July 31, 2024

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Sub: Transcript of earning call held on July 25, 2024 for the Q1 & 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 July 25, 2024 for the Q1 & 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
Q1 FY25 Earnings Conference Call"

July 25th, 2024

MANAGEMENT: **MR. ASHISH RAI – 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
Q1 FY25 Earnings Conference Call
July 25, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Investor Call of Aurionpro Solutions Limited to discuss the Q1 FY25 Results.

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, Investors Relation. Thank you and over to you, ma'am.

Aashvi Shah: Thank you Anjali. Good afternoon everyone. On behalf of the company, I welcome you all to our Earnings Conference Call for Q1 FY25.

Today, on this call we have with us from the Management Mr. Ashish Rai – Vice Chairman and CEO, Mr. Vipul Parmar – Chief Financial Officer, 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 Q1 FY25. I am sure by now you have all received the investor deck and I hope you had an opportunity to review it.

Our journey to deliver sustained growth have started off for this year on a strong note. Our revenue for Q1 has grown by 32%, on the back of continued momentum across both our major business segments. EBITDA has increased by 27% and PAT has grown by 41%, which is a good reflection of our enhanced operational efficiency and very effective execution on the order book by the wider team.

These results underscore our commitment to building out a global products and platforms player that delivers sustainable value for all our stakeholders. To recap the performance a bit, revenue for the quarter stood at Rs. 262 Cr, a significant increase Y-o-Y. PAT for Q1 FY25 stood at Rs. 45 Cr and PAT margins for the quarter stood at 17%. This growth is driven by significant expansion in demand for our core offerings, as well as our expanding sales channel and the strategic partnerships that we forged with the large global technology players. All our key businesses continue to demonstrate strong momentum. We have secured several new deals in the banking sector. And the pipeline buildup in banking is especially very promising. Technology Innovation Group (TIG) is expected to experience a positive growth as well, driven by advancements in the smart transit and data center operations businesses, which will get offset a bit by a planned slowdown in the Smart City segment.

Q1 was quite eventful for us from a strategic perspective as well, we concluded a successful QIP and it's very encouraging to attract prominent global and Indian institutions to join us in this mission to create a global tech player rooted in India. We concluded the acquisition of Arya.AI, which is again a game changer for our strategy to create a global enterprise AI player that is sharply focused on creating the next generation of AI offerings for banks and insurers globally. We are also pleased to announce that we have received final authorization from RBI on the online payment aggregators. This sets us up very well to deliver the next generation of payment solutions, integrated tightly with several of Aurionpro's offerings already in the market.

With our strong performance in Q1, and a positive outlook for the upcoming quarters, we feel we are well placed to deliver on our guided growth of 30% to 35% on revenue and earnings. We will continue to explore inorganic options that complement our existing capabilities or enhance our presence in chosen markets to positively impact the longer term growth potential for Aurionpro. Finally, we extend our sincere gratitude to our employees, our customers, partners and shareholders for their continued support and contribution to this 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 Anmol Garg from DAM Capital. Please go ahead.

Anmol Garg: I have two questions. Firstly, if you can indicate what are the key growth levers in the TIG business from here on. So, as I understand data center business has been becoming bigger, within TIG, so what is the growth potential do you see over here and does it extend beyond Webwerks as well, which has been prominently there for you?

Ashish Rai: Mr. Anmol thanks for the question. So, look, TIG is basically three slices. So, we have got the transit payments smart mobility side of the business, you have got the data center side of the business, and then you have got the smart cities piece. The growth drivers basically exist for us at the moment on the transit business, that is growing very strongly. A lot of that growth is happening outside of India. So, US is looking good, Central America, Latin America is looking good, Australia is looking good, we just entered UK, the MasterCard partnership is looking good, the Vix partnership is looking good. So, we see a very strong pipeline on the transit side, it will certainly grow very strongly this year. The data center is the second sort of big driver in that space. And you are right, to some extent we will be limited by the strategic relationship that we have had. And it was sort of a chosen strategy for us so this is one of those spaces where there is significant demand. But, we have tried to be selective in terms of business, the business has still grown at more than 50% per year for the last three odd years, it will continue to grow at about the same rate. Webwerks, the reason we focused on the strategic partnership is because the demand set is very wide and you really need to focus on business that we can execute against and where we can maintain our margins side, but we will expand the scope of partnerships we have in that space. We have been selectively also taking up more complex projects. So, for example we announced from time to time, IIT Guwahati, IIT Mumbai High Performance Compute, the design what we built with RBI, tier four data center. So, we continue to pick up complex projects, which are high margin, and we will expand the scope of partnerships in that business. The question is how much can you scale the delivery capacity, I think let’s say between 30% to 50%, it’s sort of the reasonable growth for that business. We will not try to grow faster than that.

Anmol Garg: Sure, thanks Ashish that is helpful. Secondly, want to understand that, we have recently got authorization from RBI to operate as a payment aggregator through AuroPay. So, I want to understand what kind of business opportunity are we looking at for AuroPay, are we also looking at B2C kind of business or this would be totally B2B in nature?

Ashish Rai: So, Anmol the focus for us is to one, build a business which is good from a margin profile standpoint. So, going down the totally commoditized B2C is not our preferred choice. So, we will try to first build a business around spaces that we are strong in, transit payments where we own the contract end-to-end, this becomes a fantastic lever for margin expansion in those businesses because we have been using third party gateways anyway. B2B where we have software presence, combining software with payments capability, is a significant way to build out high margin businesses. So, whether it’s on the lending side, whether it's on additional statement side that we have with the Interact DX guys, or whether it is with the Aurobees, the SME SaaS side. So, our focus would be to go where you can create a combined proposition which creates a lot of value, and hence allows you to capture a lot of value. If you go down for a pure vanilla B2C scale game, I don't think that really fits with the economic profile that Aurionpro expects from a business side. So, we will go with a combination of software with payments, and then go down that embedded payments. Well, having said that, even transit is B2C so we would be in B2C spaces, just not go down the plain vanilla gateway kind of business.

Anmol Garg: Sure. And lastly, just want to understand that we have indicated our order book of Rs. 1000+ Cr. So, if I understand so what can be the average duration of this order book, and how would it be split between TIG and banking?

Ashish Rai: So, order book in terms of duration, it is roughly, I would say 85% to 90% of the order book will consume over 18 months. I would say 70 odd percent would come over 12 months. So, that's how we count order book because we don't count the long-term AMCs and all in our order book. So, those come anyways in the overall run rate, so 70 odd percent would come in 12, 18 you will get up to 90%. Right now, the split is most 65:35 in terms of the order book with TIG something in the range of 65% and banking something in the range of 35%.

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

Ahan: Just wanted to understand if the order book has expanded from when we disclosed it last one closing of FY24 and if so, going forward where do we see the growth coming in for orders, whether it's been the TIG sector or banking. Thanks.

Ashish Rai: Hey Ahan, hi thanks. So, look order book has probably slightly expanded from where we publish it twice a year, we will publish it again in September. Typically, the way Aurionpro order book behaves, we try not to include the long term multiyear revenue streams, because according to us, you end up showing a 5000, 6000 crore order book which no one knows what it is. So, for us order book is usually where we have sold projects, and there is an immediate license, or in a year sort of stream to come in. So, for us, what happens is typically in a quarter, if you will consume let's say, about 250 to 270 crore from the order book, and you will probably add at about the same pace. So, the net addition to the order book ends up being quite small in quarter. Q1 is a seasonally slow quarter for us from an execution standpoint, because Q4 is where a lot of these got done. But, I would say slightly more, we will publish it again in Q2, at which time it should be let's say up somewhere between 5% and 15%, depending on what we pick up. But typically, it would move 8% to 10% at most in a quarter. So, right now, I assume low single digit addition.

Ahan: Thank you for that. And just another quick question on the data center side, within the TIG group, how much of the data center make up in that vertical?

Ashish Rai: So, data center roughly a third of the business, but it's growing quite fast and smart cities side has sort of shrunk a bit and will shrink again. So, I would say the way to look at it is, last year's number each of the three slices is roughly a third each, so transit, data centers, smart cities, as well. And this year, data center will grow stronger than the TIG overall growth number, transit will go stronger than the TIG overall growth number and smart cities will shrink, will not grow.

So, that's how the number would probably be, so overall the mix would be slightly more than 1/3rd by the time you finish this year.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam: Now sir, my question is about the, yours is a sort of a acquisition DNA strategy you follow, you acquire lot of companies, and then you let go of them if they don't perform and believe that smart city and cyber security sort of a thing was of that strategy only. So, how is this strategy, A S Software going on, Mr. Mitra company's which you acquired in Noida and what about Arya.AI, how much time do you give and what is the opportunity size for these acquisitions?

Ashish Rai: Okay. Hey Vivek Hi, thank you. Look, so AS, which was the Omnifin product that we acquired, that is clearly was a gap in our strategic blueprint for the lending space. So, lending as you know, we have been very strong on the corporate loan origination side, collateral management, limit management, et cetera, we did not have an offering on the retail SME digital lending space. That's where AS's Omnifin fits in. Abhijeet and team are probably the most sensational team of lending specialists in the country today. They are building out a fantastic product, that is going to be a huge growth driver for us. Lending as a whole is going to be a huge growth driver for us and Omnifin sort of fits a very, very key piece for us. It was a business; it is still a business which is largely centered in India. So, we service 35, 37 odd digital lenders, non-bank lenders. Our goal is to make the business global so we have been very actively working on expanding the business in Southeast Asia and the Middle East, we hope to see some success, or be able to report some success this year, we feel confident about it, and that business will grow. So, that business will grow probably faster than the enterprise growth numbers we have for the next few years, so we feel good about it.

Arya.ai is a different kettle of fish. So, we are very, very positive on creating a large enterprise AI offering, a global enterprise AI offering that can play specifically in the banking and insurance spaces. We feel, while the world is busy doing Gen AI and building out foundation models, and there may be some winners to that game, there may be no winners to that game, we don't know how that game pans out. We believe when a technology matures, a bulk of the value is created on the application layer. So, obviously the foundation models and algorithms play on the foundational layer, you got a whole bunch of firms investing in their tooling around AI, which is also fine. But at the application level, we see a massive space to create value and that's how Aurionpro goes and captures value. We have always been very good on enterprise applications, we say how about we bring very mature AI capabilities to play together with the enterprise applications. This is where serious banks, serious insurers are using our mission critical applications to run their businesses. This is where they will get the value from using AI on their business processes. And that will allow Aurionpro to really capture that value. So, it's a very big bet for us, we believe Arya.ai is probably the best team in the country, probably where in the world in terms of focusing specifically on banking and insurance use cases. And we intend to become a very significant global player when it comes to building enterprise AI for banking and insurance world across the globe. That is the play, time will tell how successful we get but we feel very strongly about it. We feel very good about our strategy. We are not huge fans of calling API calls to LLMs and calling it AI. So, we will invest heavily in the space and we will see how successful we get.

Vivek Gautam: The A S Software thing was mostly nuclear software; they have been having direct the requisite experience and track record also I believe in block chain?

Ashish Rai: Vivek, sorry can you go again, your line is not clear.

Vivek Gautam: What I was saying is that, A S Software team that's nuclear software with quite a good track record and experience they have I believe you require.

Ashish Rai: No, I agree completely. Abhijeet and team are probably the strongest team of lending tech specialists in the country today. It's a very, very strong setup. We enhance that with the strengths that Aurionpro brings in and we let Omnifin become a global product. We feel very strongly about it, we feel we have got just the right team to execute on this.

Vivek Gautam: Next is opportunity size for their products in Southeast Asia and in the banking domain. A lot of banks in Indonesia and Myanmar, there is one order which you got, I believe. So, there is still a lot of potential there, our penetration level is already at a substantial level, and similar query about the opportunity size for our rest of the vertical especially data center and transit in India and abroad. Thank you.

Ashish Rai: Look, opportunity size for each of these spaces is pretty large. So, look opportunity size for each of the spaces is pretty large, lending, we see a lot of spend coming in, across the market that we play in, which is mostly in Asia. And as the world has, gone into a high interest rate environment, there is even more interesting sort of transformation projects on the lending book. So, we see actually serious demand coming in, then the other way to think about it is Asia is probably at best 8% to 10% of the overall technology spend, as we expand into Europe and US, the size of the opportunity becomes bigger. So, our focus should be on building out the best possible product and become the most competitive player. I feel the segment is large enough for us to grow very strongly for very long period of time. Same thing with data center, like you mentioned there is 10s of billions of dollars coming into the space. There are all sorts of reports which will tell you, it's a trillion-dollar opportunity over the next five, seven years same thing with AI. So, these are all large spaces, we are a fairly small player in that space. So, I see no problem in the headroom for growth, or ability to grow very strongly for several years into this space, the focus should be on building the best possible product that we can. And that's what we focused on.

Moderator: Thank you. The next question is from the line of Abhishek Shah from Ambit. Please go ahead.

Abhishek Shah: Just a couple of questions. So, firstly, in your previous call also you had mentioned regarding Arya.AI. And on this call, also regarding the payments license, these are likely to be more products that we would use as possibly margin accretive in the long term. So, just wanted to get a sense on, how we can think about our margin going forward. And secondly, on the revenue side, you mentioned that you don't include the recovering revenue streams in your order book. So, some sense on what that number is, and how sticky and what kind of growth we can expect on that as well? Thank you.

Ashish Rai: Hi Abhishek. Thanks. So, look, Arya.AI and payment license, these will be margin accretive. But at the moment, these are investment driven, long term growth drivers. So, I would not really build in, Arya.AI maybe, but I would not really build in, an uptick on the margin side. Our R&D, as you know, by and large is expensed out. And the size of the R&D budget keeps on increasing every year. So, the game plan is for the next two, three years to not focus on margin expansion. I don't think this is the time for Aurionpro to do it. I believe the best way for us to add value to shareholders is to keep increasing the size of the R&D, and keep increasing the number of products which we sort of bring out into the market and keep the margins where they are. So, that is again, but having said that, in a quarter or two we can go up or down 1% and we don't calibrate our margins so finely, but I would not expect margins to really go up because we are not trying to do it. But, overall over the long run we do believe software businesses are capable of driving, 40%, 45%, 50% EBITDA that's pretty common in the industry, not even at a very large scale at a fairly modest scale. So, as the businesses mature and the growth rate slowed down, we do expect EBITDA numbers to start ramping up but this is not the time to do it.

Second, order book, for us, the reason we don't count these is typically especially on the software side of our business, the revenue streams are very sticky. So, we rarely lose a customer once they start using Aurionpro software. So, the maintenance streams are typically for life which in software business is anywhere from 15, 20, 25 years. Changing software is a very painful task for anyone, especially when you send to sell to regulated spaces such as banking and insurance side. So, that's the reason we look at it that way. We believe the AMC streams are more or less permanent. And we keep adding them to the plan every year, depending on what it is, they are typically indexed. So, your stream would probably go up between, let's say, 3.5% to 4.5% or so every year because of being indexed to CPI and stuff like that. What is the quantum of these streams, I would say. Actually we have not published that number, so I will probably not do that right now. But maybe we will consider sort of publishing that at a future state, let me take that away.

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

Ankush Agarwal: So, sir typically in a software products business, along with R&D, sales and marketing is another cost pocket, which requires a sort of upfront investment. And though R&D is something that we have talked a lot about, can you talk a little bit about the quantum of investments in terms of percentage of revenue that we are putting into sales and marketing. How this number has moved over say last couple of years and how do you see this number going ahead, like R&D we are continuing to increase the budget based on the operating leverage that we are getting. So, similar kind of thing is it playing out in the sales and marketing side as well?

Ashish Rai: Yes, so look sales and marketing we have steadily upped the spend. We are not huge fans of software businesses claiming you need to spend 20% on marketing and sales for us to keep growing. So, we typically keep it below 5%. For us, having said that the channel is now twice the size it was last year. So, we keep scaling the channel basically, more or less in line with the planned growth numbers. The way to look at and I will tell you why we are not big fans of saying, sales and marketing will take 15% or 20%, I know that's very accepted in the SaaS space and software space. And the reason for that is the following. We sell mission critical applications to regulated institutions who rarely change software. So, this is not like some SaaS, CRM software where switching cost is low, the switching cost for Aurionpro software is very, very high. You are talking a large bank using a corporate loan origination system, you look at like banks in Singapore have used us for 15 years, 17 years, 20 years. The cost of switching is fairly high. So, if you don't sell a single new logo, you will probably still grow the banking software business between 12% and 15%. Obviously, to grow at 60%, like we are growing right now, we need to sell new logos, and that needs a sales channel and that we invest in, we believe that number would probably stay in the range of 5% or less than that, more or less as we grow if that changes, I will come back and talk about it. But at the moment, we don't feel the need to really scale that number. Having said that, the sales channel is growing, it's grown over the last two years, it's basically doubled over the last year, it's gone up by 50%, marketing spend for us is very low at the moment and this year, we intend to step that up. So, that will go up a bit.

Ankush Agarwal: Okay. Second question that I wanted to ask. So, in terms of the strategy of licensing our IP to some of the larger products company globally, so, at the current stage it makes a lot of sense given that some of these players has a large presence in terms of the developed market and in terms of the logos that they have, but in the future as and when Aurionpro itself becomes a larger company, how do we see this kind of partnership evolve, wherein maybe in future Aurionpro itself might be capable of going directly to this geographies and to this type of clientele. So, if you can talk about how do you expect this kind of partnership evolve and does this context allow you to say in the future, go and compete directly with these companies for the same kind of product that we are currently licensing?

Ashish Rai: Yes, so great question Ankush you framed it quite well. Look at the moment we are $140, $150 million player in most spaces are $10, $20, $30, $50 billion spaces, $100 billion spaces right, so you are very small player in very, very large spaces, you are a very competitive player with a very deep product, but you are still fairly small player. So, for us this is the time to go out and expand in the product business, in the software business, it's not so straightforward to really go into US and Europe. So, I will give you CLO as an example we compete with, we compete with FIS, we compete with Moody's, we compete with the same global players in Asia and our win rates are typically the best in the market, we win more than we lose. It does not mean that when I go to the US and I compete with the same players, our win rates are going to be same most likely our win rates are going to be very, very bad. And the reason for that is, you need local, it's not a product depth issue, it's a local references issue, it's a local adaptation issue. So, you need time to build that up, it takes three, four, five, six years after initial successes to build up a scale software business, in banking and insurance space. So, that is one, the second thing is we have a slightly different way of thinking about how to add value to the bank. We believe the banking tech world especially, has been very proprietary tech driven, has been very prop tech driven. And typically vendors have not worked together with each other to look at value, we believe that is changing. We believe that needs to change given how complex the tech landscape in banks has got. So, the combined created value of us with a Finastra or us with the Murex or any of our partner is a lot more than the individual some of the parts. So, we strongly believe in the open ecosystem way of creating value for the banks. And we are heavy components of it and we feel it will go that way. What happens if the world does not go that way, these are not marriages for life. We can always walk away, we are not giving up our IP in these cases, we keep our IP, we license the clients mostly directly. So, you can always walk away. It's not, if it's no longer a win-win, but at the moment, it is a solid win-win, we feel over a period of time it will remain a solid win-win. We don't just do that on the banking side, on the transaction, if you look at it, we collaborate with MasterCard, we collaborate with Vix. So, we feel strongly about the ecosystem value of vendors working together to create solutions to their strengths. If it doesn't go that way, these are not marriages for life, we have our IP, we will at least have differences in the market. And we can build on that. So, that's the way I look at it.

Ankush Agarwal: Got it. Just a last clarification, so the next one year AMC would be included in our order book, the next 12 months?

Ashish Rai: So, it's not included in the order book, but it's included in the guidance.

Ankush Agarwal: So, it's not included in order books. So, order book is basically anything new, that we are going to do?

Ashish Rai: Correct.

Moderator: Thank you. The next question is from the line of Rishab Gang from Sacheti Family Office. Please go ahead.

Rishab Gang: Sir, so I wanted to understand, so I understand that we provide services related to data centers, and consulting and project management related services. I wanted to understand how much of the CAPEX pile, related to building a data center from scratch, is attributable to services provided by us. So, wanted to ask a few questions on that, what is the average cost of a data center, 1 MW data center, and how does it refer across tier 3 and tier 4. And how much of such a CAPEX is attributable to our design services and project management services?

Ashish Rai: So, it's a tough question depending on the scale of this you are going to bring up, if you want to get into detail question, probably best get through investor relations and we can sit down with the DC team. Look broadly what we capture is only a share of what the spend that goes into a data center. So, we look at designing of those data centers, will handhold especially if it is a strategic partner through that process, we will program manage the build of the DCs, we will not get into the EPC side, and all that stuff that goes into it. So, we probably end up, if it would depend so some of our contracts are pure design contracts, so then you are picking up a few percent. Most of the contracts is include design and program management thing you are getting to probably 30%, 35%, 40% of the spend. But you would never get to the 100% of the spend overall. So, that's how it works but it really varies depending on the scale, depending on the purpose, and depending on what exactly you are setting up.

Rishab Gang: So, let's say Rs. 40 Cr we spent for 1 MW, so how much would that be excluding real estate and how much of that remaining, I assume 40% of that let say 30%, 40% of that can be attributable to your services?

Ashish Rai: We can capture, let's say 40% to 50% but we will not capture that in every contract, it depends on the nature of the contract.

Rishab Gang: Okay. And can you give some break up of this 40%, 50%, how much would be of design services and how much of project management services?

Ashish Rai: It would really vary project to project.

Rishab Gang: Best estimates?

Ashish Rai: I would say still design would be like a few percent, rest of it is if you are really doing the heavy work. And a lot of our contracts are actually pure design contracts so in which case, obviously all of it is designed, but typically you are saying, single digit percent.

Rishab Garg: For the design one, okay.

Ashish Rai: Yes, of the design side, and the rest of it then depends on the scale of what you take on. So, it varies project-by-project. But, we will at most capture, so the way to look at it is this, we are speaking on only what we can realistically deliver, because the space is such that if you tomorrow wanted to start going at 200%, you can find a path to growing at 200%. But we will not have the delivery capacity to do it. So, we are taking on projects to the extent that, we can sort of reliably scale and deliver on them.

Rishab Gang: Also, like do you have any recurring services, when data center is built and operating or is it only as a game of CAPEX?

Ashish Rai: So the way to look at data center is this, data center is today where transit was for us four years or five years back. It's by and large a services business where we have very little IP, but the reason we get into a space is because we feel strongly about the demand in the space. And then we feel once we have understood the whole space through the services offering, we will productize and drive the non-linear economics. So, we are only now getting ready with the first set of products in the data center space. For example, we are close to launching properly an edge compute product, which is a fully productize product. We also have some services in terms of really being able to run operations on those. So at the moment, the recurring side is low. And most of it is services. But, if it pans out the same way transit panned out for us, in the next couple of years we will move to a very heavily productized stuff which will be significantly recurring, but then it's still initial product launches in pilot stages. So, we are probably 12, 18 months away from those going mainstream.

Rishab Gang: Got it. Just last question, so what is the team size for data center related and what is our capabilities on how much data center business we can do, in terms of units of data center or in terms of revenue?

Ashish Rai: Look, we can probably keep on going at 40%, 50%. Right now, it's about a third of the TIG pie. So, probably a couple of Rs. 100 Cr slightly less than that, we can reliably keep on going at 40%, 50% or at least 30% to 50% for a fairly long period of time if we wanted to. The reality is, a pure services business ,the reason Aurionpro is cautious scaling it is, the margin profile is not the same as a productize business. So, we feel good about continuing to scale it at a good growth rate. Right now it's a third of the pie for TIG, you can do the math. That's basically what I will say at this point.

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

Karthik Iyer: You touched on data centers and banking software, could you just throw some texture on the state of affairs of the transit business and if you are pursuing any tie ups or acquisitions in that respect?

Ashish Rai: Hi Karthik great question. Thank you. So, look transit for us the focus this year is on consolidating and building on the success we had in terms of building out the strategic partnerships last year, so we are in US, we are investing in quite heavily. We feel good about being able to expand in Mexico which is a very large market, we reported initial win a couple of months back. And we got a strong partnership with the market. Latin America in general, we are in a few deals, so that will expand. We announced the partnership with Vix to enter the UK market. We announced the partnership with MasterCard, and we are working on with them on multiple deals across the world. So, we announced our entry into Australian market as well through a partner. So, we have now done the groundwork of being in the right markets, with the right partners. So, this year is more about doubling down on those partnerships and really monetizing what comes from it. So, we feel very, very good about transit internationally growing very well for us. In India, we have been very choosy because we are the only player who probably plays in India, who can really export in a big way. So, we have been focused on the international pie. India we have been selective, but the engagement we had around the card issuance with Haryana government, we just are very excited about that. And that's a scheme with a meaningful impact but it's very good business as well, the card insurance piece, so we will see how we can expand on that one as well. So, transit will continue to go strongly. Like I said earlier, TIG we expect transit to grow quite fast, data centers to grow quite fast, and will slow down on the other pieces. So, in transit, the closed loop to open loop movement in the world is probably over the next five, seven, eight years, I would say 90% of the world will move from closed loop to open loop if not more. So, it is a very long runway of demand. We have one of the most integrated end-to-end offering stack in the space, we do everything from validators, the hardware side, our own EMV, certified card readers to the AFC software to the ticketing systems, to even the gates. So, we are probably one of the most integrated player in the space, in a space that is going to see huge demand over the next six to eight years. So, we will keep calibrating that growth, but we see very good capability to grow strongly just right across.

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

Neerav Timbadiya: My first question is around Aurobees platform. So, in the latest budget, government put a lot of emphasis towards MSMEs and I believe the platform is especially designed for them. And I believe we had multiple tie ups with multiple state governments. So, can you give more details on the platform and what kind of opportunity we have around that, do you see that becoming a large contributor or it is still in early stage?

Ashish Rai: The reason we invested in the platform, and we built it out is because we feel over the long run MSMEs, or SME space in general, one needs a mature tier 1 solution when it comes to digitization, and they need the hand holding and the support. We believe that is a large opportunity over the long run. And not just in India, but across markets and we had the right assets to play in that space. Now with the payment license coming in, we get even stronger in the space. So, we feel that there is a long-term opportunity to play having said that, right now from a revenue standpoint, that's not a meaningful contributor. It is still, let's say an R&D project, which is very well thought of and you are right, it was very well appreciated by some state governments and we continue to talk to more. So, right now the focus is on broad basing the platform, broad basing their auction, get a lot of SMEs on the platform and we will use part of the functionality for the B2B payments, supplier payments side that we are building out with the payments AuroPay piece. But I would say this is a three to five year play, don't expect a meaningful revenue contribution this year or the next and the reason for that is one, these are spaces which need to be incubated and really scaled. Second, we are not a startup, we don't have the need to show immediate sort of runs on the board and all that stuff. So, we can take our time building the ecosystem, and then the longer term value would be larger we feel.

Neerav Timbadiya: Okay, thanks for that. My second question is around on the website, on the Aurionpro's website, in the clientele list, I see some of the largest US banks like JP Morgan Chase, Wells Fargo already in the list. So, what kind of engagements we have with them at this stage?

Ashish Rai: Yes, so it would vary from bank-to-bank. So, we have got relationships with a very large number of global banks. The US banks typically, so what happened is, over the last couple of years through some of our partnerships we have expanded in US. We expect this year US to get to let's say a double digit million dollar, more around the mid-teens number which should be a strong growth. And part of it is through our tie ups with the global FinTech majors that we talked about. And then some of it is through our tie ups with the US based FinTechs, who we are supplying our technology stack to. It's still not something big, these are small starts in most cases. But the combined contribution will be big. What do we do for which client unless it was a very large thing, we normally don't talk about it so, I won't want to start getting in there. But US, I expect this year should grow 50% to 60% for us. A part of that IP is coming from Singapore so I don't know which side of the bucket the revenue fits in. But US would grow strongly for us this year.

Neerav Timbadiya: So, again, just to add to that, so I feel like JPMorgan Chase, Wells Fargo and Citi Bank, as our customers or our clients on the website. So, are we already in there, or are we in the initial stages?

Ashish Rai: We would be doing something small here and there, but we are not in there with a major product.

Neerav Timbadiya: Okay. But at this time are we engaged with them or it's too early to say on that?

Ashish Rai: No, so engaged on some services and trying to build something or if we declare something on the website normally there is somebody behind it, but it's not like we sold a big lending product or things like that.

Neerav Timbadiya: Okay. And my last question is on Arya.AI. So, what kind of growth it had in the recent quarter. And, I know you mentioned that it was going like more than 100% for last two years. Now, in this Q1, what kind of growth it had and have we completed the integration with them, so that we can go out and sell or bundle with our products?

Ashish Rai: Yes, so look I will not get into quarterly number declarations that are sub segment level. For the full year, we expect Arya to grow 50% to 60%. I will leave it at that. The integration side of things is a little bit more interesting. It's fully integrated on the sales channel side. So, we are seeing fantastic conversations across Southeast Asia, Middle East, we participated in some joint events together in Middle East in Southeast Asia. We have started work around integrating the Arya stack with our enterprise applications, which is lending, which is the Integro side, which is the transaction banking side, which is the Omnifin side. So, we have started that is our main play, integrating Arya with our enterprise application. So, that gives us a net revenue levers where we are already present with the client, as well as gives Arya way to operate. And, sales wise we see strong momentum, we expect to grow for the full year that's about what I will say.

Moderator: Thank you. Ladies and gentlemen, I now hand the conference over to Mr. Ashish Rai for closing comments.

Ashish Rai: Okay. So, thank you everyone for joining the call. I hope you got some more color on how the Q1 was and anything else you are interested in. We are sharply focused on our core strategy which we have been fairly transparent and clear about for the last couple of years. There is not a lot of new changes to that playbook. We will stick to the playbook. We will try and execute with discipline. We feel very strongly about the size of opportunity in front of us in each of those spaces. And we will remain focused on executing against those opportunities. Thank you for taking the time to join this call and I will see you again. Thank you.

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