Management Discussion

Janhavi Patil - Associate, Investor Relations, ORIM CONNECT
Thank you. Good evening, everyone, and a warm welcome to all of you. I'm Janhavi Patil from ORIM CONNECT, representing the Investor Relations Team of Kwick Forensic Solutions Ltd.

On behalf of the company, I would like to thank you all for joining us for the H1 FY '27 earnings call. We are joined today by the company's senior management team: Mr. Ashok Hinduja, who is Chief Operating Officer; Mr. Vishal Jain, who is Chief Financial Officer; Mr. Neeraj Jhaveri, who is Chief Marketing Officer. Thank you for taking the time and joining us today. I would like to hand over the call to Mr. Ashok for his opening remarks. Following his address, we will open the floor for Q&A. Thank you, and over to you, sir.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Good afternoon, everyone. This is Ashok Hinduja, COO of Kwick Forensic Solutions. I welcome all our shareholders, investors, and analysts to the Kwick Forensic Solutions Ltd. H1 FY '27 earnings conference call. I thank our shareholders for their confirmed trust and support. Today, I will take you through our business overview, financial performance, key operational developments, industry opportunities, and future growth plans.

First, business overview. Kwick Forensic Solutions Limited, established in 2005, is a Chennai-based provider of integrated forensic science, digital investigation, and evidence management solutions. Over the years, we have evolved into a specialized forensic solution provider, offering a comprehensive portfolio of products and services catering to the evolving requirements of law enforcement agencies, forensic laboratories, and investigation institutions.

Our business operates across four key verticals: Forensic Science & Physical Evidence Solutions, which includes forensic investigation kits, evidence collection systems, fingerprint detection solutions, laboratory equipment, and other specialized forensic products. Cyber & Digital Forensics is our second vertical. We are focusing on digital evidence extraction, preservation, and analysis through specialized hardware and software solutions.

Our third vertical is DNA Forensics, offering end-to-end DNA evidence collection and analysis solutions, including RapidHIT ID systems, genetic analyzers, and DNA database software. The fourth vertical is Mobile CSI Vehicles, which provides fully equipped mobile forensic vans and laboratories for on-site investigation. In addition, our Services vertical includes rental and annual maintenance contract services for specialized forensic equipment, along with after-sales support.

We have established in-house R&D and product development capabilities in Chennai, supported by DSIR recognition and partnerships with more than 12 global OEMs. Today, our portfolio comprises over 200 products and solutions, serving approximately 130 customers across India.

Coming to our financial performance for H1 financial year '27, we have delivered a positive performance during this period. Revenue from operations increased by 7.81% year-on-year to INR4,373.88 lakhs. This is compared with INR4,057.14 lakhs in H1 FY '26. EBITDA grew by 16.95% to INR793.12 lakhs, compared with INR678.17 lakhs in the corresponding period last year. EBITDA margin improved by 134 basis points to 18.03%, compared to 16.69% in H1 financial year '26. Profit after tax increased by 29% to INR610.78 lakhs, compared to INR473.46 lakhs in the corresponding previous year. PAT margins also increased by 222 basis points to 13.88%, compared to 11.66%. Diluted EPS stood at INR3.47, compared to INR2.80 in H1 FY '26. The growth in profitability, supported by improved EBITDA and PAT margins, reflects our continued focus on operational

efficiency and business execution.

We also continue to maintain a debt-free position, providing financial flexibility as we pursue our growth initiatives.

Coming to our business performance and key developments, many of our operational performance. We continue to strengthen our presence across government forensic institutions, police departments, and investigating agencies. As per the latest investor presentation, our total order book and purchase order in hand stands at INR994.18 lakhs, including GST, across our four verticals. Our tender participations stood at INR10,333.59 lakhs, reflecting our ongoing engagement with institutional and government procurement opportunities.

Our recent development has been securing two purchase orders worth INR2.53 crores from the Forensic Science Department, Chennai. These orders are for the supply of upgraded 3500 Genetic Analyzers, accessories, and kits to RFSLs in Tirunelveli in Tamil Nadu and Coimbatore in Tamil Nadu. The orders comprise INR1.12 crores for an 8-capillary genetic analyzer and INR1.41 crores for a 24-capillary genetic analyzer. Execution is scheduled within the next three months, with expected completion by February 4, 2027. This development strengthens our engagement with government forensic institutions and expands our presence in the forensic laboratory solution segment.

Additionally, recently we have received another order worth INR1.98 crores from the Andhra Pradesh Crime Investigation Department in the Cyber & Digital Forensics segment. This order further strengthens our presence in the cyber forensic segment and reflects our continuing engagement with law enforcement agencies for specialized digital investigation solutions.

Another important focus area is our indigenous product development initiative under the Make in India program. Through our DSIR-recognized R&D capabilities, we are developing specialized forensic products such as Kwick Vision Pro, Kwick Lite-Pro, Digital Optical Comparator, and Laboratory Chambers. We are also developing our integrated E-Forensics platform, designed to support digital evidence management, chain of custody tracking, crime scene documentation, statement recording, and secure data storage. These initiatives are aimed at strengthening our in-house technology capabilities and expanding our range of solutions for law enforcement agencies.

Our industry opportunities and future outlook. Moving to the industry outlook, India's forensic science and digital investigation ecosystem is undergoing significant development, supported by regulatory reforms, increasing digitalization, and government investments in forensic infrastructure. The implementation of the BNSS has strengthened the role of forensic investigation, making forensic examination mandatory for offenses punishable with imprisonment of seven years or more.

The recognition of electronic and digital evidence, strengthening of chain of custody requirements, and expansion of mobile forensic laboratories are further increasing the need for specialized forensic infrastructure and technology.

The government has also announced significant investments through initiatives such as National Forensic Infrastructure Enhancement Scheme, which carries an outlay of INR2,253 crores for financial year '25 up to financial year '29. This scheme includes the establishment of seven new Central Forensic Science Labs and nine off-campus facilities of the National Forensic Sciences University. Additionally, the growing emphasis on cybercrime investigation, DNA analysis, and digital evidence management is creating opportunities across our business verticals. According to industry estimates presented in the investor presentation, India's digital forensic market is projected to grow

from approximately USD190 million in 2024 to USD1.39 billion by 2030.

Looking ahead, our strategy is centered on strengthening our integrated forensic solutions portfolio, expanding indigenous product development, and increasing our engagement with government and institutional customers. We will continue to focus on expanding our presence across forensic science labs, police departments, and investigation agencies; strengthening our Cyber & Digital Forensics and DNA Forensics capabilities; developing indigenous products and technology solutions under the Make in India initiative; expanding our E-Forensics platform and digital evidence management capabilities; and leveraging our global OEM partnerships to broaden our product portfolio. Our priorities remain focused on technology development, operational execution, and building our comprehensive forensic solution business to address the evolving requirements of India's law enforcement forensic ecosystem.

My closing remarks. Before concluding, I would like to thank our shareholders, investors, customers, employees, government institutions, and business partners for their continued trust and support. We remain committed to strengthening our technology capabilities, expanding our product portfolio, and participating in the growing opportunities across forensic science and digital investigating ecosystem. We look forward to continuing our growth journey and creating suitable long-term value for all our stakeholders. With that, we now open the floor for questions. Thank you.

Questions & Answers

Operator
Thank you very much, sir. We will now begin with the question-and-answer session. [Operator Instructions] We'll take the first question from the line of Darshit Shah from Nirvana Capital. Please go ahead.

Darshit Shah - Analyst, Nirvana Capital
Hi, good evening, Ashokji. My question is -- one was with respect to the current order book of INR10 crores and the tender pipeline of INR100 crores. So when do we expect to get orders from the tender, and what would be our win rate in these orders?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah. I'll answer that. See, our order book is, like I mentioned, around INR10 crores as of now, and we have taken part in tenders more than INR100 crores. What happens in our business -- I think you might be aware, which I think we have discussed earlier also -- is that our turnaround time in tenders between getting an order and completing is very fast, and these keep coming regularly. So our order book is reflecting only INR10 crores. This will get executed in a very short time -- a matter of, might be, we keep our target of about 45 to 60 days maximum. And these INR100-odd crores tenders which we participated in -- generally our hit ratio is around 70% to 75%. And that also will be executed hopefully within this financial year. I hope that answers your question.

Darshit Shah - Analyst, Nirvana Capital
Sure. So roughly around INR70 crores to INR75 crores of orders you mean to say we'll be getting in a short period of time?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, this is a normal trend which happens.

Darshit Shah - Analyst, Nirvana Capital
Got it.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yes, correct.

Darshit Shah - Analyst, Nirvana Capital
And, sir, another question was with respect to the debtors. We did around INR43 crores, INR44 crores of sales this first half, and almost a similar amount of around INR44 crores are lying with trade receivables. So can you explain why is that so, and has our working capital cycle changed? And this also comes from the fact that last year roughly around 40% to 50% of revenue was from government, and 40% to 50%, I think, roughly was from private [Phonetic]. So has that also changed?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Vishal, if you want to throw some light on that.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yes. This is Vishal, CFO. Coming to the trade receivables, the main reason why the trade receivables are around INR44 crores is in the last month only, we had billed around INR22 crores. So that's within the normal working capital cycle, and also the reason being the trade receivables are high is the ratio between government to private has improved. So we are doing more from the government, and that's the reason that you can see a little bit of impact. And as I mentioned earlier, when it is government, right, and since the order values have become high, the payment comes at once the budget is cleared by the finance team of the department. So it will be like at once the payment will get cleared, and accordingly the balance might be left.

Darshit Shah - Analyst, Nirvana Capital
Sure. So what would be the typical cycle, Vishal? In terms of once we kind of bill the product, by what time do we expect to receive it from the government? I mean, I understand we deal with different state agencies, but in general, if you want to comment on that.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah. So in general, what happens is, see, in H1, right? In H1, they are usually busy with other activities and releasing tenders, etc. So that's the reason the focus primarily shifts from releasing the payment to releasing the tenders and understanding the budget which they receive from the center. And so in the second half, since they receive the budget from the center, they have to release the payment faster, and the tender process will also be much faster. And you can expect the payment flowing at a much faster rate in the second half. And that's the reason you see at the closure of the balance sheet date, we will expect the same working capital as such. There will not be much variation in the working capital.

Darshit Shah - Analyst, Nirvana Capital
So is this payment cycle roughly more than 90 days or 90 days?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah, it will be varying around 90 to 120 days. Yes.

Darshit Shah - Analyst, Nirvana Capital
90 to 120 days, okay. And lastly, on the opportunity size, Ashokji, if you can highlight -- what do you see? I mean, we are working on a few government projects as well, apart from the regular tender business with state and police agencies. So what kind of traction are we seeing there, if you want to throw some light on that? I'm sorry, sir. You are not audible. Ashok sir?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, now?

Darshit Shah - Analyst, Nirvana Capital
Yes, you are audible, sir.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, yeah. So we are expecting good government orders in addition to our regular orders, which we keep getting every year. There are some major projects which we are expecting, which are slightly getting delayed, but this should all happen, hopefully, in a very short period.

Darshit Shah - Analyst, Nirvana Capital
Great, sir. Thank you. I'll join back in the queue.

Operator
Thank you. [Operator Instructions] The next question is from the line of Amit Mehta, an individual investor. Please go ahead.

Amit Mehta - Individual Investor
Yeah, hi. Good evening to everyone on the call.

Operator
Mr. Mehta, I'm sorry to interrupt you. Your voice is muffled, sir. May I request you kindly use your handset, please?

Amit Mehta - Individual Investor
Yes, it's okay. I'll just...

Operator
I'm sorry, sir, the participant has left the queue. We will move on to the next question from the line of Mohit Arora from HEM Securities Limited. Please go ahead.

Mohit Arora - Analyst, HEM Securities Limited
Thanks for the opportunity, sir. Am I audible?

Operator
Yes, you are. Please proceed.

Mohit Arora - Analyst, HEM Securities Limited
So, sir, we have earlier mentioned that we are targeting a growth of 30% to 35%. So when I look at the tender pipeline, you mentioned that we have a win ratio of 70% to 75%, and considering the current order book of INR10 crores converting into revenue and this INR103 crores converting into revenue, do you still think that we'll be able to achieve the growth of 30% to 35% for FY '27?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yes, definitely. It is very much possible because the first half, like we saw the results, around INR44 crores we have achieved already, and the order book is INR10 crores, and tenders participated is about INR100 crores. So assuming a 70% hit ratio, it will take us to close to around INR110 crores to INR120 crores. In addition to this, this is only the tenders which we have participated in till date. There are still another four more months for more tenders to come, and which we will participate in and get those orders also. So our estimated year of 30% to 35% growth, we are very much in line with that.

Mohit Arora - Analyst, HEM Securities Limited
Okay, got it, sir. One more question from my side. So you are building the in-house forensic capabilities, like Kwick Vision Pro, Kwick Lite-Pro, and other products. So is it right to understand that they will contribute to revenue in FY '28? And furthermore, I want to ask, what will be our focus area? Like we will be focusing more toward Forensic Science & Physical Evidence, or this in-house forensic capability will become our main source of revenue? I want to know the focus of the company.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, the focus of our company, as I said in my statement earlier, is going to be on all the segments -- a little bit more on DNA and cyber, but all the four verticals which we are dealing in, we will be concentrating equally on all of them. Growth can be good from DNA as well as from our cyber division, whereas mobile forensic and forensic activities also will grow in line, in proportion to the last year. And coming to your question about the in-house developed products, yes, FY '28 is where we'll be expecting a good order book from that particular segment. Although we are getting a lot of orders even for our Make in India products in this financial year.

One more area of focus is going to be for us is expanding into the African market. Our Make in India products, we have already started promoting. Our team had visited three countries in Africa, and we have identified it as a very, very good potential. Workshops are planned to be conducted over there in the month of January, and we see good growth coming forward from the African continent also, all the countries from there.

Operator
Mr. Arora? So the participant, I think, has left the queue. We'll move on to the next question. Thank you, sir, for answering those questions. We'll move on to the next question from the line of Amit Joshi, an individual investor. Please go ahead.

Amit Joshi - Analyst, Individual Investor
Hello to all. I was looking at the balance sheet, particularly 26% margin, and it has dropped down over a period of time. I understand that H1 is not the best -- I mean, not a quarter, but H1. Typically, you guys do well in H2. As per your conversation, what is a sustainable operating margin over a period of time, including this financial year?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yes, sir. The operating margin, the EBITDA margin, has improved. We have sustained it around 18% to 19%, and that will continue.

Amit Joshi - Analyst, Individual Investor
Okay. And we see a 35% revenue growth year-on-year, including this year?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah.

Amit Joshi - Analyst, Individual Investor
So we did about INR103 crores last year, if I'm not wrong? Correct?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Correct. Correct.

Amit Joshi - Analyst, Individual Investor
So we're looking at something in the range of INR135 crores to INR140 crores?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yes.

Amit Joshi - Analyst, Individual Investor
And that's a big statement because orders are only about INR10 crores. We're talking about closing this year. We have to have orders as well as billing them for an extra INR125 crores.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
No, we have to -- my bad, we've done INR42 crores, roughly, right now. INR44 crores.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, plus INR10 crores is already in the pipeline; it's going to be executed. And so we have to do another INR80 crores.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah, there might be a spillover effect. See, this is as on today. There will be H2 tenders also. There will be requirements in the next four months, which will be on fast-track mode. So generally what happens is the Mobile Forensic Vehicles segment and [Indecipherable] only has a larger execution cycle. The DNA and Cyber, the cycle around 30 days only. So when we receive orders for those particular segments, you can see that we will be able to achieve the target which we have mentioned. That won't take much time.

Amit Joshi - Analyst, Individual Investor
And Mr. Jain, even if we achieve this target, I don't see the cash flow happening we will again [Indecipherable] because there's a big lag this month itself -- this H1 itself.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Correct. See, that's what I'm trying to say. This is like a historical trend. So what happens is the moment we switch back to -- doing business with the end consumer from the government -- the cash flows get stuck because it becomes concentrated. So as I mentioned, we have done around INR22 crores in one single month. And usually what happens is February, March, and April are the three key months. Whatever fees which we are booking in H2, we get the payment because the budget will get lapsed. So that's the reason those three months become crucial. And you can see that we'll have a good cash flow position at H2.

Amit Joshi - Analyst, Individual Investor
So we are going to move positive by the year-end?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah.

Amit Joshi - Analyst, Individual Investor
Okay. And you're saying 18% to 19% operating margin is sustainable?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yes, yes.

Amit Joshi - Analyst, Individual Investor
Okay. One last thing. One request, actually. We've conducted the call after almost three days of the result, and the stock has dropped 25%. Can we next time look at conducting a call quicker than this?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah, sure.

Amit Joshi - Analyst, Individual Investor
Thank you, Mr. Jain.

Operator
Thank you. We'll take the next question from the line of Amit, an individual investor. Please go ahead.

Amit - Individual Investor
Yeah. Hi. Good evening, everyone on the meeting. Sir, I just wanted to understand: you have like INR100 crores of top line. So how much percentage is from products and how much from services? And which area do you see the future scope of increasing more -- on the product side or on the services side? And what are the margins in products and what are the margins on services? And one more thing is that how much are we right now catering to domestic and how much international? Thank you.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah. So just quickly, if I take you through the product and service mix, as we mentioned in the presentation -- just give me one second. Roughly, the product segment is around 90% and the service segment is around 10% for H1. And as we mentioned earlier in prior meetings and calls, the service segment is predominantly from one particular state, which is Bihar, where we are renting out the forensic equipment, the X-ray scanners, and that will be stagnant. There will be no growth aspects in the service segment. So predominantly, it will be product-specific growth, which we are expecting in the upcoming financial years.

And coming to the margins, the service has roughly a gross profit around 50% because we have taken the machinery on our fixed assets. And coming to the margins for the products, we have varied margins across the segments. The forensic and mobile forensic segment is having around 30% to 35% of gross margin, and the DNA around 25%. The cyber, we have improved -- earlier it was 12%, and now it is coming around 18%, and we expect this to improve further in cyber. And since the service segment is going to be stagnant, as I mentioned, the drop in the gross profit will be

nullified by the increase in the gross profit which we are going to get in the cyber and DNA segment.

And coming to the domestic and exports, the revenue is predominantly from domestic. We have started exploring the South African market. So presently, it is predominantly domestic; it is just that maybe 0.5% of revenue would have come from Sri Lanka.

Amit - Individual Investor
So if you may allow me to come to my next question. If we are a product company, what is the unique thing about your product which is giving you a competitive advantage against your competitors? Because if it's a product, then anybody can develop it, right?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
No, see, if you see from the revenue segment, well, it seems that it is like a product-based company. But the value addition comes from the training and the services, and also the after-sales support. Whenever the government places the order through tendering, it always includes the warranties and the service portion, the training portion also in the order. So that's the reason we don't distinguish that portion separately as the service segment, and we just include it as part of the product segment.

Amit - Individual Investor
So whom do you call your competitors in the Indian market as such?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Ashok sir, like to answer that?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, yeah, I'll do that. See, competition is there. We are not denying that. But as an all-in-one company -- we deal in all the products of forensics -- we have competitors. It might be cyber; there are two, three good players. DNA; there are also sort of players. So as an all-in-one, as a one-stop shop, we will be the only company in India who provides the entire solution. So competition is there, but also not there. That is how I would like to put it.

Amit - Individual Investor
So, as I understand, a lot of these top five firms, they also have their forensic teams and provide the services in terms of frauds, etc., like KPMG and all these guys. So is the business similar, or are we different from them?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
We are different from them. Yeah, different from them. I'll answer that question. We are totally different from them in the sense that they provide the services for, might be, supposing somebody wants to do analysis of some hard disk or some mobile phone or something like that. They do those. We don't. We sell the software for that to the law enforcement agencies and train them on the usage of that, so they get trained on the entire aspect of it.

Amit - Individual Investor
Okay, understood. And any role in the future to be played by AI kind of thing in this line of business?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yes, AI we have evaluated already. See, AI in the future would be used in forensics more as an aid to

the investigator. It cannot replace the investigator. Lots of tools are available, and we are also developing a couple of tools now in AI, which will help the investigator in understanding the crime scene, identification of the evidence, and to understand how the exact crime took place. So we are considering this opportunity.

Amit - Individual Investor
Thank you so much for answering my questions. Appreciate it.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Thank you.

Operator
[Operator Instructions] The next question is from the line of Rajat, an individual investor. Please go ahead.

Rajat - Individual Investor
Good evening, gentlemen, and thank you for the opportunity. My question is regarding your order book. You mentioned that, for example, your current order book is executable in about 45 to 50 days, and the other orders also that you will get during the course of the financial year, you'll be able to execute within the year. So my question is, are all your orders such short-term in nature, or do you also have orders which you have in hand and you'll execute over the next 12 to 18 months, so that we can have a view on the kind of order book and revenue that will accrue to you over the next three, four, five quarters?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
No, generally, like I said earlier, orders are executed within 45 days -- 30 to 45 days. There are some orders which might take maybe three months, for 90 to 120 days. Those are for the supply of Mobile CSI Vehicles. These orders, when we get them, because we have to procure the vehicle, we have to fabricate it, we have to get the fittings, and then provide it to the customer. So this takes about 90 to 120 days. Other than that, we don't have any long-term orders for, like you said, 12 months and 24 months. We don't have any orders like that.

Rajat - Individual Investor
Okay. So will it be too wrong for me to assume that therefore your revenue prediction depends on as and when you get orders and you execute, it's difficult to have a view on what the revenue would really be. For example, as you said, you might get about INR75 crores of order wins, but if you don't, then obviously your forecast of 35% growth may come down. Right?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
No, no. I would slightly beg to differ on that. Tenders which we take part in which I told about INR100-odd crores -- or that, these are I won't say predefined tenders, but these are tenders which we know we will get those orders because the customer wants that, and the tenders have been floated to procure those items only, which we will be supplying to them. So maybe one or two can get missed out due to some reason, bureaucratic delays, or sometimes little fund issues come up. But out of our experience in all these years, we know if there is a tender, we will be or should be getting that order because the tender has been catering to the needs of the customer by us.

Rajat - Individual Investor
Okay. So then is it fair to say that these are not L1 tenders, but maybe these are based on nomination, so that you will certainly be getting those tenders, right?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
No, no. It will be L1 tenders only, but they will be given to us only because the authorizations and all those things are given by the OEMs to us. So when we take part in the tender, it is again dependent on the price only. But other competitors may not be able to match the price because the authorization has been given to us.

Rajat - Individual Investor
Okay, okay, okay. And just one more question on the AI front. You mentioned that through the usage of AI, will it help you to increase our revenue share, or will it just be something which will aid the investigators? Or is there any way we can increase our revenue through using AI in our solutions?

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, see, AI is a vast area, as we all are aware today. Now, definitely once we complete the development of whatever we're working on in AI, it will work toward increasing our revenue. There is no doubt about it, because it will help the investigator at the same time reduce the burden, so the government would be willing to spend on that. It has a huge backlog of cases as of now, which every investigator has. You go to any cybercrime expert, he'll be handling 10 to 15 cases at a time, which is a big workload on them. So if we identify some tools and get them supplied to them, their workload will reduce, so definitely our revenue will increase proportionately.

Rajat - Individual Investor
Okay, okay. Thank you so much.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Thank you.

Operator
Thank you. The next question is from the line of Dalpat Mehta from Suncity Advisors. Please go ahead.

Dalpat Mehta - Analyst, Suncity Advisors
Yeah, sir. Good afternoon, sir. First of all, it's not a question, but a request to the management that this is a new line of business, and I think this is the first listed company in this segment, and we don't understand the business of the company. So my request is management should call an investors' meet in person, whether in Mumbai, Delhi, or your Chennai city, so that we can understand the business. Second thing, my question is, can we understand how you get the orders, how you process when you get the order? So as you told, your major revenue is from product sales. So are these products manufactured at your end with some mechanical process, or you assemble them? So what are the things? And in an investor meeting, you can demonstrate what are the products.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
I think you have asked a lot of questions in one question. Yeah, can you hear me?

Dalpat Mehta - Analyst, Suncity Advisors
Yes, sir.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Hello?

Operator
Yes, sir. Yes, sir. You are audible.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Yeah, yeah, yeah. So you have asked multiple questions in one question.

Dalpat Mehta - Analyst, Suncity Advisors
Yeah.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
And your request for having a physical investor meet -- we will definitely consider that. But if you want to have a private one-to-one meeting, anytime we are ready to explain what is our business model and how we operate. But I can just give you a brief right now. Our business is basically government-driven only. Okay? Like, 90% to 95% of our revenue comes through government orders, where the end user is the government, and we get all our orders basically through the tendering system. And we have tie-ups with many international OEMs. So those products -- any requirement in India -- we are the authorized channel partner to sell it to the customer. We have a lot of Make in India products also, which we are working on right now, and this is what we are planning to promote in both the Indian market and international market, especially in the African subcontinent. So this is, in short, our business model which we operate. We can have a one-to-one meeting, maybe one hour, two hours. You can contact ORIM CONNECT, and they will organize the meeting.

Dalpat Mehta - Analyst, Suncity Advisors
So I have tried many times at your office to connect with the management, but could not succeed. So that's why I asked for that investor meet.

Ashok Hinduja - Chief Operating Officer, Kwick Forensic Solutions Limited
Okay. At the end of the call, I think we'll ask our partner to share our direct email ID to contact. Yeah, and then we will conduct a meet. Okay.

Operator
Thank you. The next question is from the line of Darshit Shah from Nirvana Capital. Please go ahead.

Darshit Shah - Analyst, Nirvana Capital
Hi, sir. Just wanted one thing. So in terms of the orders, like, we got listed somewhere around the first week of September. So we haven't seen any order announcement on the exchanges, barring the last INR2.5 crores, INR3 crores we announced. So is it like we haven't got that much of orders in the last two, two-and-a-half months, or are we picky and choosy about informing the exchanges regarding the orders that we receive? Just want to know on that front.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yes. So generally we report the high-value orders, and since the tenders participated -- we have participated in more number of tenders in the past few months -- so we are expecting the conversion of tenders into orders in the next few months, and we'll be able to see the update in the next quarter.

Darshit Shah - Analyst, Nirvana Capital
Got it. And on the expansion side, do we need kind of any capex or something to execute a little bigger size government orders, or how is it on the funding side? If you want to explain, once we go beyond this year as well, would we be in need of funds to execute bigger orders, or would internal accruals suffice for the growth?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Yeah, the internal accruals will suffice. So as you know, capex -- it's not a capex-heavy model. It's just a working-capital-intensive model. So since we have already raised the IPO funds, and since it's just working-capital-intensive, if any additional funds are required, we will go for a small debt portion instead of going for another fundraising. Predominantly, the internal accruals will suffice.

Darshit Shah - Analyst, Nirvana Capital
Sure, thank you.

Operator
Thank you. The next question is from the line of Amit Joshi, an individual investor. Please go ahead.

Amit Joshi - Analyst, Individual Investor
This question is for Mr. Jain. I see the tax is at 17% from 26%. Can you note the reason why? Because what will happen is, if it goes back to 26%, then the net profit margin...

[Technical Issues]

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
...and the PAT margins have been specifically improved in this financial year because of the tax effect which we got because of the fundraising expenses. And for next year it will be roughly around 26%, 25% to 26%, but for the current financial year, the average would be around 17% to 18%.

Amit Joshi - Analyst, Individual Investor
Okay. Have we seen bad debts in the past?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Sorry, because of dealing with government agencies, there is very, very --

Amit Joshi - Analyst, Individual Investor
And so there is no provision either?

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
So we have taken a provision. We have taken a provision of around INR35 lakhs to INR40 lakhs.

Amit Joshi - Analyst, Individual Investor
Okay. Okay. Which is not much. Yeah. I mean, that's all I had. I wish you all the best. Hopefully, we get better performance in the coming quarters and year, and hope you grow as a great company.

Vishal Jain - Chief Financial Officer, Kwick Forensic Solutions Limited
Thank you. Thank you so much.

Operator
Okay. Thank you. Ladies and gentlemen, that was the last question in the queue. I would now like to hand the conference over to Ms. Janhavi Patil for closing comments. Thank you, and over to you,

ma'am.

Janhavi Patil - Associate, Investor Relations, ORIM CONNECT
Thank you. Thank you, everyone, for joining the call today. On behalf of Kwick Forensic Solutions Limited, we appreciate your time and participation. For any further queries, please reach out to us at letsconnect@orim.in. Thank you.

Operator
[Operator Closing Remarks]