PELATRO

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PEL/2026-27/11

May 14, 2026

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot no. C/l G Block
Bandra-Kurla Complex Bandra (E)
MUMBAI - 400 051

NSE Symbol: PELATRO

Dear Sir/Madam,

Sub: Transcript of Earnings Call with Analysts/ Investors on Financial Results for the quarter/ year ended 31 March 2026.

Pursuant to Regulation 30 and Regulation 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Earnings Call with Analysts/ Investors on Financial Results for the quarter/ year ended 31 March 2026 for the conference call held on May 11, 2026. The Transcript is also available on the Company's website at www.pelatro.com

This is for your information and records.

Thank you.

Yours sincerely,
For Pelatro Limited

Lakshmy Mohanan
Digitally signed by Lakshmy Mohanan
Date: 2026.05.14 11:51:34 +05'30'

PELATRO LIMITED Bangalore India

Lakshmy Mohanan
Company Secretary and Compliance Officer

Encl: as above

"Pelatro Limited Q4 FY26 Earnings Conference Call"

May 11, 2026

MANAGEMENT: **MR. SUBASH MENON – CHAIRMAN & MANAGING DIRECTOR, PELATRO LIMITED**
MR. SHARAT G. HEGDE – CHIEF FINANCIAL OFFICER PELATRO LIMITED

MODERATOR: **MS. JANHAVI PATIL – ORIM CONNECT**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Pelatro Limited's Q4 FY26 Earnings Conference Call hosted by Orim Connect.

As a reminder, all participant lines will be on 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. Janhavi Patil from Orim Connect. Thank you and over to you.

Janhavi Patil: Thank you. Good afternoon, everyone, and a warm welcome to all of you. I am Janhavi Patil from Orim Connect, representing the Investor Relations Team of Pelatro Limited.

On behalf of the company, I would like to thank you all for joining us for the Q4 & FY26 Earnings Con Call.

Before we begin, I would like to state a brief cautionary statement; some of the statements made during today's call may be forward-looking in nature. These forward-looking statements are subject to certain risks and uncertainties that will cause actual results to differ materially from those expressed or implied. These statements are based on management's current expectations, assumptions, and information available as of now. Investors are therefore advised not to place undue reliance on these forward-looking statements when making any investment decisions. The purpose of this call is to share insights into the company's business performance and financial results under review.

Now, I am pleased to introduce the members of the Management Team present with us today; Mr. Subash Menon, Chairman & Managing Director, Mr. Sharat Hegde, Chief Financial Officer.

With that, I now hand over to "Mr. Subash for his Opening Remarks." Thank you and over to you, sir.

Subash Menon Thank you. Good evening, everybody. Indeed, a pleasure to host this conference and present to all of you and share our results to all of you.

We have already uploaded the "Investor Presentation" for FY25-26 on our website, and we also have shared it with NSE. I presume all of you have received that, downloaded that, and have that particular deck with you.

I will be, along with me, of course, is my colleague, Sharat Hegde, who is the CFO, the two of us will be taking you through the deck today, so we will call out the page number and go through the

details of each page. At that point in time, you can follow on the copy of the deck that you have. Once again, welcome to this investor meet.

I must say that we have had an excellent year for more reasons than one. One reason is that the business that we acquired from Estel Technologies has stabilized and done exactly as we expected. So, the acquisition, in our opinion, is turning out to be quite good. We have had wonderful revenue growth, organic growth, in our continuing business, which is the CVM division. We have had a very, very good growth. My colleague will talk about that shortly. And finally, our EBITDA has expanded during the year.

So, on all fronts, be it the transaction that we consummated, be it the acquisition, be it the organic growth, be it expansion of profit, I mean, higher profitability, on all fronts, we have done extremely well. And so, that is what I would like to share with you right at the very beginning.

For those who are joining this Pelatro investor call for the first time, who have not been part of such a call in the past, if you go to Slide #3, you will see that we are a telecom software player with various software solutions, which we will come to you shortly. We serve about 46 telcos at this point in time across 35 countries. We have got 11 patents. We are continuously increasing that. We have got about 490-plus employees at this point in time.

If you look at the next slide, you will see a map where our presence is noted, I mean, the different countries. That is quite a busy slide, we are in, as I said, 35 countries. So, it has been a very good ride for us till now in Asia and Africa with respect to customer penetration and growth.

That brings me to the next slide, which is “Business Overview.” And after that, you have got the results highlights. To handle the next two, three slides, I will hand you over to Sharat Hegde, who is our CFO, who has joined me on this particular call. Over to you, Sharat.

Sharat G. Hegde: Thank you. Hello, all. Good evening, and welcome to our concall.

So, Slide #6 is what I will be handling now, which talks about all the key numbers from financial point of view. So, first one is revenue. The revenue stood at INR 138.23 crores for the financial year ended 31st March '26. So, the revenue grew by 61.2% year-on-year as compared to FY25.

Revenue of INR 138 crores has been a contribution from both our continuing CVM division as well as the new acquired Estel division. So, if we look at the divisions alone, CVM division alone has contributed a revenue of INR 116.5 crores with a growth of approx. 36% from that of last year. So, FY25 was completely CVM division. So, when we compare on that, there is a healthy 36% growth, so, which clearly shows that the continuing business has been growing very well and is poised to grow as well. The remaining INR 21.7 crores has come from Estel division, which we acquired earlier in FY26. So, Estel revenue of this INR 21.7 crores actually represents a nine-month number because

this division started operating only in July '25. Being a nine-month number, Estel division has very much achieved a revenue number which is in line with what we had expected for the financial year, which is a happy thing. Just to highlight, Estel division, when we acquired, had almost no pipeline and happy to inform you all that it is steadily building a very healthy pipeline as we see.

The overall EBITDA stood at INR 31.5 crores from INR 18 crores from FY25. So, EBITDA grew by 76% year-on-year. While the revenue growth was 61%, the EBITDA has grown at 76%, which is furthering the non-linearity effect that we have been witnessing for the past two years.

The EBITDA margins too are steadily expanding, like which was 20.9% for FY25 and is now 22.8%, which has been the expectation as well. While we are speaking about EBITDA, maybe some of you might want to look at EBITDA numbers or EBITDA growth excluding other income. We have had other income last year as well, and we have had other income this year as well. FY25, we had other income of INR 3.8 crores roughly while FY26, the other income was INR 5.5 crores. So, even if we exclude these, we can still see a steep EBITDA growth between the two years, FY25 and FY26. We can see that the margins too have been expanding even without the other income.

The PAT grew year-on-year by 52%, which now stands at INR 18.1 crores as against INR 11.9 crores last year.

EPS growth has been good as well at INR 17 as against INR 13.16 last year.

The next Slide #7 actually takes us through “Segmental Details.” There are a few details of the continuing CVM division as well as the new Estel division segment that we have been reporting. So, as mentioned previously, CVM revenue has been at INR 116.5 crores, whereas Estel has given us a INR 21.7 crores revenue.

The CVM EBITDA stood at INR 28 crores and Estel's EBITDA stood at INR 3.4 crores. So, while CVM achieved a 24.1% EBITDA margin, Estel being a new division has achieved a very healthy EBITDA margin of 15.6%. We expect this Estel's EBITDA margins to grow in the years to come, and we also expect it to come closer to that of CVM division's margin over the next few years. So, that is on the segment side.

Then the next slide talks about a few key financial ratios, wherein we have given return on net worth, return on capital employed, as well as debt-equity. So, return on net worth and return on capital employed have been growing steadily, RONW grew from 14.97% in FY25 to 17.4% in FY26. ROCE has grown to 20.36% from 18.37%. So, this growth basically reaffirms the number growth that we have spoken in the previous slides.

Debt-equity has been steadily coming down as well, as we have not been adding any major debt and the existing debts have been steadily being repaid. So, these are a few key financial items.

I will hand it over to our Chairman back for the remaining slides.

Subash Menon: Thanks, Sharat.

So, the next slide, which is Slide #9, is about AI:

Now, as we all know, the elephant in the room at this point in time is AI. Everybody is concerned about it, everybody is wondering whether it is going to help or hurt the business. We are taking the bull by the horn here, we are looking at various aspects and working on that. I would like to update you all on that front. This slide talks about two key areas where AI could or will impact us -- one is on the product itself, as to whether we keep on bringing various AI capabilities into the platform, which the customers will be expecting to ensure that the product remains current -- the next thing is on the development side. I mean, development, coding, testing, and implementation support. In various areas today, AI is penetrating. The use of LLMs is increasing. So, how will that impact us? These are the two areas that we need to be concerned about, we need to work upon.

The next slide talks about the first area, which is “Product Features,” Slide #10:

There you will see that we have already launched a platform called mViva Revenue Acceleration Platform, which covers a variety of Gen AI, LLM-driven AI features. Those are AI Agents, Co-Pilots, Zero Touch Campaigning, these aspects. These take our entire product capability to a completely different level. As we are constantly delivering these capabilities to our customers, that will ensure continued product leadership. So, not only would not our product become obsolete, but it will also actually keep on adding capabilities and leading from the front with respect to product capabilities. So, when you go to various telcos, they will see that our product is absolutely current and futuristic and exactly what they are looking for. And that will then lead to higher growth for us. So, on the product features front, we are definitely doing an excellent job with respect to whatever we need to do. And we are absolutely confident that this is the way to go on the product feature front.

The next slide, which is Slide #11, talks about “Software Development”:

Here it is all about ensuring that we bring in efficiencies into our software development activities; we reduce costs, etc., That is where AI will be used. We are already using LLM in coding to develop various models, to handle support function, to handle a variety of testing activities, for implementation activities. So, across the spectrum of activities that we handle with respect to software development, we are already using LLM. Now, this would mean our cost will come down. So, cost per dollar of revenue will definitely come down. As we move forward, as it is our business is non-linear, which means for every dollar of additional revenue, we do not have to increase the number of people in same proportion. That is our non-linearity, which is already there in our business. On top of that, with this lower cost per dollar of revenue, because of AI usage, the increase in manpower will come down even further. So, that will be the second lever. And this will be visible in

the next 18 to 24-months. And this would also result in improved quality, better reputation, etc., resulting in higher growth as we move forward.

So, on the AI front, I think we are absolutely ensuring that we are leveraging the power of AI to continue to deliver a futuristic product, and to ensure that our own development activities are moving forward in a cost-effective manner by reducing cost, improving quality, shortening the time to market, etc.

That brings me to the next slide, which is Slide #12. This lists the products that we have. I would not spend time on this. We have repeated this multiple times, and it is fairly straightforward. In the CVM division, we have got five products and managed services which go around that. They all come together to form what is called a revenue acceleration platform. We spoke about AI capabilities in our products. Those capabilities have been added in all these products. We are not calling that out separately on this slide. So, AI capabilities, LLM capabilities, Gen AI capabilities, those are all part of every product that we are seeing here.

And that brings me to the next slide. That is the list of products for the Estel division. We have got three products in Estel division, and managed services going along with that. Again, we have repeated this multiple times. I would not spend time. If anybody has any specific questions at any point, I mean, once we get to Q&A, I can explain those products.

Now, we come to the next Slide #14. I will hand you over to Sharat, my colleague, for the next two slides.

Sharat G. Hegde: So, Slide #14 speaks about the revenue model.

So, we basically divide our revenue into two major buckets. One is repeat revenue, and then one-time revenue. The repeat revenue is further divided into recurring revenue and reoccurring revenue. So, recurring revenues are essentially contracted revenues that keep repeating at every fixed interval, say monthly, quarterly, or half yearly or annually, I mean, depending on the contract. So, these are basically fixed license fee, like for customers who would go for a license subscription model instead of a one-time license purchase. There will be a monthly fixed license fee, which is one of the major parts of recurring revenue. Then we have AMC for the customers who have taken up licenses, the annual maintenance contracts. Then there is managed services. Managed services essentially have three major items -- the IT operations, which is basically technical support; the business planning, which is basically helping the customers plan their campaigning activities, etc., and then business operations, which help them to actually launch these campaigns and operate them. The final thing in the recurring revenue is gain share. So, with certain customers, we do have contracts where if they earn incremental revenue out of the platform, a part of that will be shared with us. So, that is the recurring revenue part. And then there is reoccurring revenue. Reoccurring revenues are basically change requests, which are customizations from existing customers, like customers' needs keep

changing every now and then, and they would probably need some new customizations, etc., which are very much repetitive in nature because they keep coming every now and then from these customers. So, the recurring and reoccurring revenue put together is what forms the repeat revenue, which comes from the existing set of customers. The one-time revenue is basically perpetual license and implementation fee. So, overall, a higher repeat revenue, a combination of recurring and reoccurring revenue, is actually a very good indicator for our business, wherein a higher repeat revenue as compared to one-time revenue will give us a better view of the future revenue, better revenue predictability, etc.,

So, the next slide gives us a revenue bifurcation. So, as I was saying, a repeat revenue which is more than 75% of the total revenue is always a good thing for the business, and we would like to keep it that way. So, for FY26, the recurring revenue was 60% and reoccurring was 22%, giving us a total repeat revenue of 82%, which is a very good indicator, and one-time revenue was 18%. Although it will not be the same year-on-year, we expect it to be anywhere above 75%. So, that is on the revenue as well as the revenue bifurcation. Back to you.

Subash Menon: Okay. Thanks, Sharat.

So, now I am on Slide #16, which shows the number of customers:

We already touched upon this earlier; 46 customers, spread across 35 countries, and out of those 46 customers, this is as on 31st December, not March 31st, we have 31 of them using managed services from us. Now, this is a lever for growth. As we continue, we will keep on increasing the penetration of managed services within our existing customers. As you can see… as the graphs indicate, there was a time when it was a much lesser percentage, and it is continuously increasing.

Moving to the next slide, this is about the market penetration and opportunity:

When we look at the products that we have at this point in time and compute the potential market opportunity, we see a size of about INR 12,000 crores as opportunity. So, we are only at about 1% of the market at this point in time… maybe a little over 1%. There is still a very long way to go. But when we look at the market penetration with respect to customers, how many telcos have we penetrated, that is 10%. Today, we are at about 46 out of 450 telcos. Now, the reason why these numbers are different, if one is 1%, the other one is 10%, is because even where we have penetrated into a telco, we have not yet sold all the products that we have and all the services that we can sell. So, if we were to sell all the products and all the services to this particular set of 46 telcos, then our size will also be equal to 10% of the market size. But that is not the case today. We have got only 1% of the market size in rupee terms, while market penetration is 10%. But this market penetration is important, because it is not practical to expect to sell all the products to every telco customer we have, this does not work. So, we have to keep increasing market penetration and keep increasing our penetration of products and services within each telco as well. Those are two levers of growth. Today,

we are at 10% in market penetration. Over the next four or five years, we expect that to be of the order of about 20% or 25%. So, that will be one area of growth. The next will be, today, our product penetration, I think, is about 1.3 products. You can see that written. We have got eight products and our penetration is only 1.3 products. So, at some point in the next four or five years, our objective will be to take it to two or two and a half products per telco. That would also mean a much higher revenue coming from each telco. It is about going into more telcos, and at the same time, going deeper within each telco. These are two very strong growth levers that we have and we will keep working on those two levers.

The next slide, which is Slide #18, talks about our key strengths:

We have got a very end-to-end offering. It is highly referenceable. We have got some excellent customers, very large customers, including the likes of Vodafone-Idea at about 250-plus million subscribers and several other large ones at 80 million, 90 million, 100 million subscribers. We have a lot of patented technology which helps us differentiate from our competition. We have got very, very deep domain expertise. We are handling very large volumes of transactions. So, there are various aspects which are very critical and very unique to us at this point in time, which form our key strengths when we go and stand in front of a potential customer to sell our product or products. And these then naturally become tough for others to cross and enter. So, they become barriers for others to enter.

And that is what I am now referring to in the next slide, which is the investment rationale, Slide #19, this is not in any particular order. I have just listed them there. We spoke about market penetration. We already have a very good penetration of 10%. We are constantly increasing it and I am absolutely confident of somewhere between 20% to 25% in the next four to five years, at which point in time we will be handling more than 100 telcos with respect to servicing them with at least one product. And I believe it will be higher than the current 1.3 product penetration. So, one is market penetration, one is product penetration. That will also increase, services will increase. With all that, the revenue per customer will keep increasing.

AI for us is a differentiating factor. We are absolutely soaring with AI. We have brought in a lot of interesting features, very attractive features, very valuable features and capabilities for our telco customers. So, that will help us maintain our leadership and continue on the growth path with respect to organic growth. And at the same time, we are also reducing our cost. That will help the non-linearity to increase further.

I spoke about the higher barrier to enter, the kind of product that we have, the kind of technology we have, the references that we have, the technologies that we have used, the patents that we have, and various aspects, the volume that we are handling, the domain expertise that we have, all these come together to form a very, very high barrier for potential competition to enter.

Coming to the numbers, visibility and predictability:

We have got extremely high visibility in our business. As we look at the current financial year FY26-27, although we are talking about financial year ended FY26, I would like to touch upon the new financial year FY27. As we started the year, we had 82% of revenue already contracted. So, of the expected revenue for FY26-27, we have got a particular internal target, of that internal target of revenue, we have already got 82% in contracts in hand. So, that means we only need to win and execute another 18%. Some of you might remember that in the last year, by September '25, we had 100% contracted situation. And currently, we are at 82% for this year. Let us see how that progresses. I am sure it will progress very well. So, this gives us a lot of visibility and predictability in the business. When I look at next year FY28, already a lot of revenues for that is contracted because of the recurring revenues that we have. So, as time goes by, the visibility and predictability will increase. Now, with all of this, the penetration that we have, the barrier to competition, visibility, predictability, AI that we are leveraging, etc., we are absolutely confident of excellent growth in the years to come, and we are committing to at least 15% annual growth on revenue, organic growth. If there is some acquisition that will be on top of this. Organic growth of 15% at least over the next five years on an annual basis every year.

And while that happens, EBITDA will also grow in the next two to three years, and EBITDA will be at a higher level than what it is today. And in the past, we have stated that in our kind of business, I will be happy when we get to 30% EBITDA. And I think that, that is also something that could happen in the next two to three years while the revenue itself will grow at 15% every year.

With that, I hand you over to Sharat. If you want to touch upon anything on the financials, otherwise we can throw the floor open for Q&A.

Sharat G. Hegde: Okay, thank you. So, on the financials, we have already spoken on all the key numbers. So, in addition to that, we do have Q4 numbers given separately in the income statement on Slide #21 for those who are interested to go through. So, yes, I think with that, we can open the floor for question-and-answer.

Moderator: We will now begin the question-and-answer session. We will take a first question from the line of Abhi Jain from AJ Capital. Please go ahead.

Abhi Jain: Hi, good evening. I just had two questions. First, obviously on the threat of AI and more data and the information and more confirmation that we get from you, the better it is for our understanding and confidence. So, coming directly to that, I understand from your slides and from your deck, how you are integrating AI into the product suite, right, using LLMs to do the campaign management and for all the data analytics, etc., What part I would want to understand further is that for any of your clients, right, earlier, the problem usually was that it was very difficult for any small telecom player or any telecom player otherwise also to build them in our software. Now, the problem with these generic LLMs and these generic AI is that cost has shot down drastically. So, the generic LLMs can help

them build all the features of a campaign manager, including data analytics, everything. The only thing that remains that cannot be done is probably live integration with the real-time data of the customer. So, I just want to understand that going forward, how are you protected from that? How do customers do not use you only for the integration there? They can have their in-house generic LLM, right, which does all the data management, all the campaign management, everything, and use you only for the integration there. So, there I wanted some more clarity that why is that not a viable threat for your business?

Subash Menon: Okay. Good question. We do not believe that is going to happen because of the overall complexity of a product like campaign management. People may say, what is it? You just take some subscriber segment, you plan a campaign, campaign being "Buy This, Get That Free," and shoot it out. It is as simple as that is what you will think. The concept is that simple. To understand the product is that simple. But, the nuances are very many. Now, if you take something called a state flow in our product. This is a journey builder. Now, typical journey for a typical telco, I mean, imagine a flowchart. Now, that is the journey, right? I mean, we all understand flowcharts. Now, imagine a flowchart with about 250 or 300 boxes, as in one box and various branches in that. You cannot have 250 boxes in a serial fashion, right? One after the other, after the other. It does not work like that. You start with one box, then you have three branches. Then you go into that, then you have multiple branches coming from each of these branches, and then more branches, then more branches. That is how the flowchart works. So, imagine a large flowchart with 250 or 300 boxes of decision-making, action, and stuff like that. Imagine constructing a software to do something like that. It is extremely complex, extremely complex. Now, first of all, you should know how to tell AI to do something like this. The whole prompt engineering will have to go to a completely different level, a totally different orbit, to be able to even think of building something like that. And even if you have that kind of prompt engineering, it is not practical to build the product because of the complexity of that. Now, trust me, we have tried this internally. To know whether it works or not, it does not work. This was the first question we asked ourselves as well, as to will the telcos do that? And this we asked some time ago, and we have the answer now, because we tried ourselves. No, it just does not work. Now, this is not just one feature in our product. There are hundreds of features like this, which have to work together in a very well-coordinated manner. And then you have got all the challenges of the integration as well. So, if they try to do that, it will easily take them, whether they can do it or not is a secondary question, but if they really try, it will probably take them a year to do something like this, if at all they try. What is the point? And because who is going to maintain it? Who is going to keep upgrading it? Now, today, our customers all ask us, a telco sees only their business in their country. They do not see what is happening in 30 countries, in other markets, in other geographies, they do not know what is going on in the world. They keep asking us about it. And that knowledge goes into a product. They do not have access to that knowledge. So, that is why they keep asking us. So, in short, what will happen is, if at all they develop something, what they develop will be substandard, will be way behind what we have even today. Forget about what we will have tomorrow. So, it is much cheaper and more sensible for them. And I am not even thinking about how many tokens they will have to

buy to do all this. I am not even thinking about it. It will be much cheaper for them and more sensible for them to rely on somebody like us. So, I do not think this is a threat. And that is based on practical experience.

Abhi Jain: My second question was around recurring revenue, because I think that is one very important part of any software business. I just want to understand for your legacy clients or for your top-10 clients who have been your customer for more than three, four years now. In terms of the recurring revenue, has there been an annual increase in contract value? I mean, that can always be linked to inflation, etc., But generally, I do want to understand from a product's view perspective and from an increase in module perspective, for example, you are just saying that in the presentation, you mentioned that on an average, a customer uses 1.3 of your products out of the eight products that you have. So, I just want to understand that the contract value that you have seen increasing across your top customers, has it come on the back of increase in the products used by the customers, has it come on the back of more users of the module of the product at the client end, or has it just been inflationary increase, if you can just throw some light on that to understand whether your legacy customers are getting more infringed in the company.

Subash Menon: It really comes from us selling more modules, more capabilities, features, more services, etc., Whether it is in the form of a recurring license fee or recurring AMC, recurring managed services, it all comes from new things being done. Generally, we sign three or five year contracts. So, if it is a support fee in a year, or a license fee in a year, something like that, that stays constant for the three-year or five-year period. It does not have an inflation-related increase. So, when we price it, what we do is, we take this year's price, if it is a five-year contract, we apply inflation for the next five years, then we average it out to get to an annual number. So, we are not losing out because of inflation. We are averaging it out and coming up with a fixed number. That is what they prefer. At the end of five years, when they renew, yes, it will go up, but not till then. So, during that five-year period, the real increase is because of all the new features, functionalities, modules, services, etc., which they buy from us.

Abhi Jain: Perfect. Just going forward, can you just throw some more light around in your presentation just to help us understand whether there is an uptrend in terms of more products being used by the customer? And the 15% revenue growth that you are targeting for, do you have any sense or can you give us any sense in terms of breaking it down between inflation and volume growth? Typically, in any other business, you understand, right, that there is a value and a volume growth. In your case, the volume and the value –

Subash Menon: No, this is on a constant currency basis just the volume growth. I mean, that is what you are calling it, yes.

Abhi Jain: So, inflationary adjusted you are talking about?

Subash Menon: Yes, that will fit on top of this. So, yes.

Abhi Jain: That helps. Just going forward, if you can just throw more light around this for customer use of products.

Subash Menon: Yes.

Abhi Jain: That is it from my side. All the best. Thank you.

Moderator: Next question is from the line of Varun Gandhi from Finavenue Growth Fund. Please go ahead.

Varun Gandhi: Hey, Subash, thank you for the details and thank you for outlining your growth aspiration and outlining the key strengths that would enable you to achieve that aspiration that you have said. But on that, could you elaborate more on the sales strategy here? You said you wish to add more logos and you also wish to expand or go deeper within your existing logos, right? Could you help me elaborate your sales strategy here in terms of not just your employees, but also the sales pitch? Because I am sure your new telco clients would also be having these platforms. So, how do you wish or how do you intend on displacing the existing platforms? I am just trying to get a sense of all of that.

Subash Menon: Right. I do not know whether this is a good answer or a bad answer for you, but the real answer is that it is no different from what we have done over the past 10 years. We go and pitch all the new capabilities and the futuristic capabilities to our customers and establish that we have a product which is way better than what they have today and which is something which will be future-proof for them…that is, if they come with us, it will be future-proof for them. So, this is one thing. We establish our referenceability there. We ask them to check with our existing customers for reference check and stuff like that. And that establishes a variety of things about us, our support capability, product capabilities, and all those things. So, that is the core. Of course, we will keep adding more people as and when we are required to cover, to have bandwidth and stuff like that. That is par for the course. But the strategy really is about having the best product out there and then ensuring that we are able to get ambassadors who will vouch for the product in the form of existing customers. Really, that is what it is. These are the two key elements of our sales strategy, something we have done all along the way.

Varun Gandhi: Got you. But is there anything more tangible that you could share in terms of how do you approach a new client or a new geography, trade fairs or references?

Subash Menon: Yes, that I can tell you. So, we have got various ways. We use online tools like Luza. We use LinkedIn quite extensively to reach out to people. Every week, we have two or three outreach campaigns which go to a very large set of potential customers. And we get leads coming out of it. These days, we attend two large trade shows every year and one trade show of our own, which is called CVM Executive

Forum. We invite customers and non-customers as well. So, there are three trade shows which we go to, and there is inside sales where they directly call up potential customers and pitch to them. So, it is a combination of going through these apps like LinkedIn and Luza and others. It is also general marketing strategy where we send campaigns to, I mean, we use LinkedIn, we use Twitter, we use other things for campaigns. Then there are trade shows. Then of course, there is word of mouth, not to forget, our existing customers spreading the word. If we have one telco, one opco within a group, we go to other group opcos as well. So, this is another way of doing it. For example, we had Sudatel in the Sudani Group initially. Now we work with Chinguitel, we work with Expresso. So, there are three of them in the same group. We went to them and took the reference of the first customer and use that. So, it is a combination of all of that.

Varun Gandhi: Understood. Would you be able to share any example where you have successfully been able to displace an incumbent competitor or a peer platform?

Subash Menon: Every contract we have won is by replacing either another vendor or an internal product. And that I would say is how about 98% of customers have come by replacing another vendor, maybe one or two of them have come through replacement of internal product. The other 44 would have come through replacing a competitor. There are no greenfields, it is all brownfields.

Varun Gandhi: Understood. That is reassuring to know that. And lastly, when you said you want to deepen relationships with your existing clients, upsell them more modules, where is the challenge over there, why have not we been able to move beyond that on an average 1.3, the metric that you earlier disclosed on the presentation, just trying to understand where is the challenge and how are you tackling it?

Subash Menon: Telco sales is a very slow sales process. It is a very long sales cycle. On average, you would say about 10 to 12-months. There are cases where we have to knock on the door for two years before we get an entry. Because telcos are extremely risk-averse. Replacement is something that they do only when they are absolutely certain. So, it takes time. Really it is that. It is just a natural sales cycle, which is taking time. And it is not that our competition is sitting doing nothing. They are also doing something. So, it is a combination of all of that. It is a slow grind. It takes time and we're working on that. So, there is no specific challenge. It is just the usual sales activity and the sales cycle and all that.

Varun Gandhi: Understood. Now that we have AI on our side, do you think the implementation and the sales cycle should ideally be reduced?

Subash Menon: The sales cycle will not be reduced. It has got nothing to do with AI. It is the speed at which a telco takes the decision. We have no control over that. Implementation time, yes, will reduce.

Varun Gandhi: Right. So, the telco is usually just your corporate inertia.

Subash Menon: Telco is like that. There is a lot of inertia there. There is a lot of risk-averseness there. There is a lot of bureaucracy there. So, when they say we will do it very fast, they mean they will do it in three months.

Varun Gandhi: Again, thanks for sharing the details. I will join back the queue.

Moderator: Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello! Good evening. Thank you so much for taking my question. Congratulations on a great set of results. So, just wanted to understand that when you are talking about a higher product penetration and market penetration, is it not 15% growth a bit too conservative, sir, because even standalone CVM division has performed, I think you said 25% better than last year, so I just wanted to get your thoughts on that, sir?

Subash Menon: The CVM, I do not want to get that to be confused with consolidated. The CVM organic growth from last year to this year was 36%, I believe. Sharat, am I right?

Sharat G. Hegde: Yes, that was 36%.

Subash Menon: It was 36%, not 25%. If you look at the last two, three years, we have been growing at a frenetic pace. I do not want to be committing anything more than 15% at this point in time, but you can read all the other signs and signals and the track record and all that, and come up with a number that you feel is appropriate.

Darshil Jhaveri: Okay. Fair enough, sir. Got the point, sir. And so I just wanted to understand in terms of competitive landscape, because as you said, telcos take a lot of time for something to be finalized. So, just a two-part. So, once we are able to get into a company, then how sticky is that? And what is the competitive landscape right now for us, sir?

Subash Menon: I do not want you all to think that telcos are really bad organizations, they take time and all that. So, let me add some positive side to it. Their business is very complex. Even if there are only like three telcos in the country, it is a very competitive market. MNP is there. Somebody can move from one telco to another telco at the drop of a hat. So, it is a very competitive market for them. It is a very complex market for them. That is why they are extremely careful and risk-averse and they take time. We need to understand that. So, if we were sitting there running a telco, probably we will do the same, I mean, because of the nature of the business. Now, once we get in, we really stay there. So, in 10-years, we have not been pretty much replaced anywhere other than in one organization where actually the ownership changed hands and they wanted to bring something which they have been doing internally in the earlier place for a long time or something like that. And there was a language issue. They wanted everything to be in Russian and I think not English. So, that is where we got replaced. So, that has been it. In 10 years, in one. I do not even consider that as a great number to

focus on. So, we do not get replaced. We could get replaced if we are not current, if we become obsolete, if our support levels are bad. So, it is actually up to us to ensure. We may lose out, we may get replaced because of a political reason. So, that was what happened in even that telco. That was a political reason. If there is no political reason, there will never be, I believe, a technical reason for us to be replaced. We will never lose out because of technology, product capability and stuff like that. This is also the primary reason why we do not win some of them. And political reasons, I do not want to be listing what the reasons are. I am covering a variety of things under this term, political reasons. I hope all of you understand. So, we lose out because of political reasons and we could get replaced because of political reasons, but not because of technical reasons.

Darshil Jhaveri: Okay. That is really great to hear about it, sir. And just last one bookkeeping question. So, what is the tax rate that we operate under? Currently what I could look at it, it is sub-10%. So, just like, could you help us out with that, sir?

Sharat G. Hegde: So, the effective tax rate for current year has been around 7% to 8%. Effective tax rate depends on a lot of things. I mean, on a consolidated level, we have profits flowing in from our Singapore subsidiary, our UAE subsidiary as well which are mostly at a lower tax rate zone. And Singapore subsidiary also has some carry-forward losses that we are utilizing. And further, like there will be certain foreign taxes that would have got deducted while payments come in, and we get some rebates, out of that depending on the global income and the ratio of that and all. So, it varies, but I would say a 10% effective tax rate is something that we can work with for the current financial year and maybe a year and two.

Darshil Jhaveri: Okay. Fair enough. That is it from my side. Thank you so much, sir.

Moderator: Next question is from the line of Murtaza from PinPoint X Capital. Please go ahead.

Murtaza: Hi, sir. Good evening. First of all, congratulations on a good set of numbers and the successful acquisition. So, just a couple of questions. Firstly, I just wanted to understand the kind of contracts we sign in terms of what sort of renewal period do we have? And how do we increase in our prices? Do our renewals stay flat or how does this work, if you could just put some light on it

Subash Menon: You are asking whether we get increased price every year or we ask for renewals, or when we renew, we ask, I mean, I did not quite get that question?

Murtaza: Yes. So, I just wanted to understand, in general, how long are the contracts?

Subash Menon: Okay. So, as I stated earlier, our contracts are either three years or five years generally, and the price is fixed for that period of three years or five years. Subsequent to that, when a contract renewal happens, we would go in and try to increase the price to the extent we can. It is very subjective. There is no rule or something that I can tell you.

Murtaza: Right. And secondly, sir, I just also wanted to understand what sort of geographic pockets are we looking into, to add on some new logos, if you just have any in your mind, or are we particularly tapping onto?

Subash Menon: We are continuing to focus on Asia, Africa and Middle East. That is for now, because there is still a lot to be done in these geographies. We have not reached anywhere in the form of penetration, or rather, let us say saturation there. Because if you take these three geographies, we are probably talking about some 250 to 300 telcos, something like that. It is a very large number of telcos. So, there is a long way to go. And we are continuing to focus on this. And at some point, we are also looking at Latin America to some extent, but not as much as we are looking at these geographies.

Murtaza: Understood. I just wanted to understand what is our long-term vision taking into play our CVM division and our Estel division, like, are we planning to have an integrated stack where we just put in all our products at one place, or is it more of a separate offering that we will be giving to our clients, or how are we planning?

Subash Menon: So, the products that we have, they actually handle very different activities. That is why we have eight separate products. There being in two separate divisions is just only a matter of convenience. It really means nothing, but we will be selling them as separate products. I mean, they will, of course, come together to sit on a platform, if need be, they are well integrated, all those things are there, but they will continue to be separate products.

Murtaza: Okay, understood. Thank you very much.

Subash Menon: Thank you.

Moderator: We will take the next question from the line of Varun Gandhi from Finavenue Growth Fund. Please go ahead.

Varun Gandhi: Subash, just as a follow up from the previous participant's question, if you could just quantify on the pipeline, and where do you see that going in terms of conversion?

Subash Menon: The pipeline is continuing to expand as we target more and more customers for two reasons. One, as we have more customers from the same group, we get more stuff coming in. So, that will increase the pipeline. Then there are new potential customers adding to the pipeline. So, pipeline is continuing to grow. Our conversion typically is to the tune of about 30%-odd of qualified pipeline, not the raw pipeline.

Varun Gandhi: And by qualified, you mean -?

Subash Menon: There has to be an RFI or an RFP out. It cannot be just we went to them, they said, "Yes, we would like to have it." And that is where the discussion is at this point in time. That is not qualified. If they say yes, they are interested and they float an RFI or an RFP when they actually kick start a process, then it becomes a qualified pipeline.

Varun Gandhi: Understood. Also, I was looking to get some sense of what the revenue concentration is in terms of the top five customers or the top-10 customers, any number that you could share?

Sharat G. Hegde: So, top five customers are around 39% to 40%. So, top 10 are around 60% at this point in time. Top five was around 45% last year, so which has slightly reduced and the top-10 –

Subash Menon: In the next three, four years, I would expect top 10 to be in the region of only about 20%, 25%. It will keep coming down.

Varun Gandhi: Okay. All right. So, you are looking to make the revenue more granular?

Subash Menon: I mean, more widespread. As we keep on increasing more customers and each customer also grows within us, naturally, these numbers will keep coming down.

Varun Gandhi: Correct. All right. Got it. That is it from me. Thanks again for the opportunity.

Subash Menon: Welcome.

Moderator: We will take the next question from the line of Hansraj Patil, an individual investor. Please go ahead.

Hansraj Patil: Yes. This is Hansraj. Since the company is growing very fast and we know that a lot of R&D spends are going on, is there going to be any additional capital requirement actually?

Subash Menon: No, I mean, from a capital expenses perspective, we are not heavy on that, it is a very light model. So, whatever numbers you have seen, that will kind of continue going forward as well. So, it is not a large number to talk about actually.

Hansraj Patil: Because I was talking in terms of because we are spending a lot of money on the AI development and features, right, and then we also –

Subash Menon: But all that is being written off as well, right? So, when I say capital expenditure, I really mean only the computing infrastructure.

Hansraj Patil: Okay. So, next, for example, in two to three years, we do not have any plans for debt or equity, I think?

Subash Menon: To dilute equity to raise money for capital expenditure?

Hansraj Patil: No. I am saying in the next two, three years, whether we want to acquire a company or we want to grow the company, we do not have any plans to raise any additional equity or debt, right?

Subash Menon: No. To grow the company, organically, absolutely no, we do not need to. To acquire businesses, whether we will do it or not, I do not know.

Hansraj Patil: Right. Okay.

Subash Menon: I would like to add a couple of comments, please. So, we have discussed the numbers, we have discussed the business aspect and all that. I would like to leave you all with this thought that the business is growing very well organically, excluding the other income, because people know that most of the other income comes from FOREX movement. Excluding the other income, if you look at our EBITDA growth, you will see it is upwards of 80%, while the total growth is not organic, including acquisition has been 61%. So, whether you look at it from an organic standpoint or including acquisition, including the other income or excluding the other income, whichever way you look at it, you will see that profit or EBITDA has grown faster than revenue. That is non-linearity. And that non-linearity will continue in the years to come, will only accelerate because of AI. This is a thought I would like to leave with you. And the fact that we are leveraging AI, we are using that and we believe that, that will help us to produce even better results in the years to come. That is it from my side. Thank you.

Janhavi Patil: Thank you, everyone for joining the call today. On behalf of Pelatro Limited, we appreciate your time and participation. For any further queries, please reach out to us at letsconnect@orim.in. Thank you, everyone.

Moderator: Thank you, members of the management. On behalf of Orim Connect, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.