

Aurionpro Solutions Limited
Q2 & H1 FY23 Earnings Conference Call
November 01, 2022

Moderator: Good day ladies and gentlemen and welcome to the Investor Call of Aurionpro Solutions Limited to discuss the Q2 and H1 FY23 Results. Today we have with us today from the management Mr. Ashish Rai, Vice Chairman and President; Mr. Vipul Parmar, Chief Financial Officer; and Mr. Ninad Kelkar, Company Secretary. As a reminder, all participant lines will be in the 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. Thank you and over to you, ma'am.

Aashvi Shah: Thank you, Michelle. Before the call, we would like to point out that certain statements made in today's call maybe forward looking in nature. And the disclaimer to this effect has been included in the earnings presentation shared with you earlier. The investor call may contain forward looking statements based on the currently held beliefs and assumptions of the management of the company, which are expressed in good faith and the opinion reasonable. Forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward looking statement. The risks and uncertainties relating to these statements include, but are not limited to risks and risks for expansion plans, benefits from fluctuations in our earnings, our ability to manage growth and implement strategy, competition in our business, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals and our ability to win new contracts, changes in technology, availability of financing, our ability to successfully compete and integrate our expansion plans, liabilities, political instability, and general economic conditions affecting our industry. Unless otherwise indicated, the information contained herein is preliminary indicative and is based on the management information, current plans and estimates.

I now hand over the conference to Mr. Ashish Rai for his opening remarks. Thank you and over to you sir.

Ashish Rai: Thanks, Aashvi. Good afternoon everyone. Welcome to the earnings call for Q2-FY23. This is my first interaction with you since my appointment in the last quarter. The company has so far

of course been communicating actively with the investor community through releases and announcements, but we've not held an interaction like this for a long time. Going forward, we plan to continue such engagement regularly for every quarter as we go through. Before we get into the financials, let me spend a few minutes to update you on the developments within the firm. Over the last three years that we've not posted a call like this before.

Three years back, we started our current journey to revisit our strategic direction, and focus on building out a global IP led products and platforms provider, sharply focused on a few chosen segments. These segments are banking, smart mobility, payments and smart cities. This strategy leveraged heavily on our established track record and capabilities in working with clients across banking, across transit and government institutions across the globe. So as you can see, the strategy has worked very well for us and you can see this reflected in this sharp improvement in our performance across every parameter that we track, more materially revenue, profitability, and the increasingly strong balance sheet that we have. We've now registered 10 consecutive quarters of strong positive quarter-over-quarter growth, as you've seen and we continue to see a strong growth momentum in the business and very healthy and sustainable profit margins.

Another key part of our growth strategy over the last few years was to de-focus from businesses which either did not fit the target segments or the target economic profile. And you've seen this in terms of some divestments from non-core businesses that we've done such as cyber security. This has allowed us to get to this point where we are building out industry leading IP and capabilities in our chosen sector. Each of these segments enjoy very long demand runways from what we can see and we feel very confident that all our businesses are poised for a long phase of high growth. We also feel great about the growing external validation of our strategy to build out leading global IP, for example our banking and Fintech segment, our solution for loan origination, for collateral management and limits management. We passed it for the first time in Chartis RiskTech Quadrant reports. Chartis is a highly respected independent global analyst and we were the only Asian software provider to be squarely in the leaders quadrant worldwide in each of the three categories, the loan origination, collateral management and limits management. This is a huge validation of our strategy to build out tier one industry leading IP in that space.

Similarly, if I look at the technology innovation group the TIG segment, we focused on building out one of the most complete cutting edge end-to-end highly integrated offering in the transit payment space. A great proof point of the competitiveness of our technology was our win in the highly competitive global tender for state of California, competing with leading players across the world that we won. We have logged an impressive number of wins in this space across US, across Latin America, Africa, and of course a number of wins that we announced in India in transit space.

So going forward, we will continue to focus on strengthening the economic moat that we have in these businesses through the IP edge, and keep executing with discipline so that we capitalize fully on the really large, long term growth opportunities that we see in front of us. If I get briefly into the key financial metrics for the quarter, Q2 FY23 we saw very strong growth in the key metrics on a year-on-year basis. Revenue for the quarter stood at 155 crores is a 26% year-on-year growth and 6% on a Q-o-Q basis. This is solidly in line with the company's estimates for FY23. EBITDA for Q2 FY23 stood at 35 crores as compared to 27 crores in Q2 of FY22, which is a growth of more than 30% on a year-on-year basis, and again a 6% sequential Q-o-Q basis.

EBITDA margins for Q2 stood at a healthy 22%, which is comparable to the level we've been at in Q2 FY22 as well. Profit After Tax, Q2 FY23 stood at 25 crores, which is a growth of 32% on a year-on-year basis, and on a Q-o-Q basis that the growth of more than 4%. The margin for profit after tax stood at 16%, which is higher by 100 basis points if you compare year-on-year. On a half yearly basis, the company has exhibited significant growth as well, the revenue for H1 FY23 was higher by 25% on a year-on-year basis. The EBITDA and the PAT respectively higher by 31% and 44% for H1 FY23 on a year-on-year basis, you can find all the details in the investor presentation that we sent across.

So while we have seen strong growth in the business on all fronts, there have been some execution delays in the quarter that have affected the cash flow and working capital. As you can see, the receivables and working capital loans have increased during the quarter. Some of this expansion is purely because of the organic growth as the size of the business grows. And some of it is caused by a working capital mismatch that we've seen due to execution delays in the quarter. We've seen some inordinate delays in arrival of materials due to global supply chain disruptions in some large product and execution, which ultimately delayed the project milestones and billing. The teams have since been working on this, they've executed very well, to resolve these issues. And most of these projects are expected to go live very soon. So we will have the better position for the business back to the normal averages soon as the projects go live.

During the first half of FY23, we also successfully completed our investments, the strategic investments that we announced in Aurionpro Toshi Automatic Systems (ATAS) and in Hello patients in the US. And we are fully on track to complete acquiring 100% ownership of SC Soft in Singapore in the next few months. We expect to finish the year with a significantly stronger balance sheet to the combined effect of one strong second half that we can see a full resumption of the normal business cycle across all the segments and completion of these strategic investments that we talked about.

So overall, as we enter the second half of the year, we feel we are well positioned to meet our performance targets of growing the top line by 30% for FY23, while sustaining the margin profile for the business that we sustained so far in the year. We continue to see very strong

demand across the key segments and as a business we remain focused on continuing the growth trajectory through the year and into the next year. That's all from me for now. I hope this has given you a useful overview of the overall business context and our strategy and performance. I look forward to addressing any questions that you may have.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Umesh Matkar from Sushil Finance. Please go ahead.

Umesh Matkar: I have just two questions. First, if you could provide the breakup of order book segment wise as on date. And also in data center, we are seeing huge investments like the UP government inaugurating its first hyper scale data center. So what sort of opportunity do you see in data center, as well as in other segments like kiosk Murex, smart city and smart mobility? Thank you.

Management: Thanks Umesh, great question. Thanks for joining the call. So let me start with the data center question first. So as those who've been tracking the business would have known we got into this business over the last couple of years and over time, we've brought together a very strong set of capabilities. One of the most respected teams in the country, as well as some serious IP that we are building out in this space. So we've been going out and logging a number of very notable wins in this space. You are totally right, this is a space which is seeing explosive demand, there is a lot of investment that's happening in the country and we see that happening through the years as we go on. So we will continue to capitalize on it. It's a business that is certainly growing, it's a very strongly growing business for us we do not declare growth rate at a sub segment level. So, I will leave it at that remark that it is growing at a faster pace than the combined business for us. And we continue to see very strong demand, we've been growing capacity in the business and I'm sure it will be a strong driver of growth for us going forward.

On the Murex business again, it's a very specialized business for us it's a symbiotic relationship for us in which case we are looking at bundling some of our solutions, especially on the effects distribution side together with Murex as well as working with Murex on implementing projects we've seen again it's one of the businesses that outpace the overall business growth. And we see it keeping a very strong strategic relationship for both of us, which will drive growth for us in the future. Coming into the breakup of the order book. We again, we will probably not declare the order books exactly at the segment level, but one will declare the overall size of the order book it standards at 700 crores plus right now, North of 700 crores and we continue to add to it every quarter. The second thing to look at would be TIG is about two third of the book, and banking and FinTech is about 1/3 of the book and both the segments continue to add do it as we go on so every quarter as we go forward. We are accumulating on to the order book right as we go. That's book hopefully that gives you a good flavor of where we are.

Umesh Matkar: Okay. And I had just one question on the presentation that you're given. So there TIG, this includes which segments. So TIGs sale of software and sale of equipment, sale of equipment would be Toshi I guess right?

Management: Yes, partly so TIG, so the technology innovation group for us, that segment includes transit, which includes Toshi in it as well, as well as the validator's side of the hardware that goes into transit payments thing. So one part of it is the Toshi side, we manufacturer as well as the validators which can come from us from our Singapore subsidiary which is SC Soft. So that goes in, plus it also includes our smart city business and the data center business as well.

Umesh Matkar: Okay. And what would be the sale of software and sale of equipment?

Management: So what does it mean, so the sale of software and equipment shows up on the license, the sale of equipment and product license is number that we are showing on the slide, so that is one the software licenses from both sides of the business, which is banking as well as TIG, and plus the equipment that's going through on those deliveries.

Umesh Matkar: Okay. And also if you could quantify on the opportunity that you see on the segments that you have mentioned, that would be great, to what is the pipeline going forward for the segments?

Management: So, two ways to look at it. So, one is, as I said the order book most of which, which is executable over the next four quarters, it already stands at 700 crores plus and keeps on increasing every quarter as we go. So that points to a good level of demand as well as a good ability for us to convert that demand so that is one and that keeps on climbing. We will not declare the pipeline numbers explicitly, because pipeline is function of conversion, but I would put it as several times the order book that is staying there. So we are converting at a good clip and the pipeline stands at several times the order book. The reason we don't want to get into quantifying the actual overall demand for these segments is the following. As you see in banking for example the intent is to build a globally competitive IP business and that's a good proof point for me, I say lending it's a large global segment we are absolutely tier one, the only Asian vendor sitting squarely in the leaders quadrant, in loan origination on the banking book side of collateral management and limit management. This is a huge space as you would know, corporate loans is the heart of any wholesale bank. It's a very large segment, I have a globally competitive IP, which gives us the right to win. So now the problem is not the demand, the idea is how much of that demand can we tap into, because when we compete given how competitive we are, we will win our fair share. So what we are focusing on is now expanding the distribution of this product out to US, out to Europe, out to Middle East, out to market we've traditionally not been in. If I quantify the target addressable market, it would be a very large number. I don't think that is a constraint for us. The idea is let's capitalize on the demand by expanding distribution. So that's why we don't get into declaring the overall size of the market. Same thing with transit, it's a very large global segments running into billions. We are building out one of the most competitive, fully integrated stacks in the space. And we will go out and compete as

you can see, we're already winning in US, we are already winning in Latin America, we are winning in Africa and we strongly believe we are just about scratching the surface. It's again a question of strengthening the distribution and capitalizing on the demand. So, I would probably summarize saying demand is many orders of magnitude more than the PV order book or what we are selling right now. So the question is, how much of the demand can we tap into?

Umesh Matkar: Okay, that's great to hear. I saw in the press release where you mentioned good growth expected from the kiosk segment. But however on the latest quarter there hasn't been any traction. So going forward do you expect that segment to pick up?

Management: So we are seeing a very strong demand in terms of pipeline growth in the segment, I again at a sub segment level will probably not explicitly call out numbers. But as you would have seen the recent guidelines from the Reserve Bank of India around digital banking units, and we see a lot of momentum within the banking space, we see a lot of momentum within some of the other segments as well, in terms of the demand coming through. Again, we are working on expanding out the scalability of the business, but we feel very good about the growth in that business if you start looking out two to four quarters.

Moderator: Thank you. The next question is from the line of Umang Shah from India Bridge Capital. Please go ahead.

Umang Shah: Sir, my first question was, SC Soft we were one of the three vendors selected in California mobility marketplace. So two parts in this question, one was how is the response that you're getting from the local transport authority there, and the second part was here applying for both processing and validator suppliers, but we were selected only in validator segments and not in transaction processing segments. So what was the reason for the same?

Management: Okay, so that's a very good question. So, when we were getting into the RFPs, we chose to participate on the validator side of the business because of the relationships that we had and the POCs that we had done to support it right, we did not participate on the other side of the business due to strategic reasons on the bit. So we see very good progress in terms of rollout on that contract. So it was obviously a very competitive win for us and now that we are in California, and I may be off by this in a little bit, but give or take 300 transit operators, and we are already on the rollout of the first five or six that we started working on. This would be a pretty long term project for us and we are investing quite significantly in building out the business in California and in US overall for that space.

Umang Shah: Sir, what was the revenue from this marketplace, sitting in the books ready for the quarter or for the half year?

Management: The revenue projection?

Umang Shah: No, what is the current revenue, you said started working with five, six operators. So what will be the revenue that had currently accrued to us or the accounted for?

Management: For us, it's North of a million dollars so far.

Umang Shah: And sir one more question was, after 2017 Nagpur Metro we have not really won any new deals in the Indian metro system at least, in 2018 Noida was the last one that we won, while there are different players catering to different Metro projects, and the entire stack is based on NCMC what I understand. So do you envisage that the entire system will go to one player eventually or all of it co-exist and here what stops us from winning new contracts?

Management: So it's a question of where we participate and where we don't Umang, but we have one of the most compelling competitive offerings in the transit space in India today. And we've blogged a fair number of wins after Nagpur and Noida which are obviously they continue to expand as well but they're fully live. We were in Kanpur as well which together with our partners in a consortium basis which we've again rolled out, we've also announced wins in the space for UP transport, we announced for Haryana transport as well. And we continue to participate in a number of other bids. So India, transit is a very strongly growing business for us, we see a very strong momentum on the demand side, we actually see very strong conversion rates from our side on the bid that we want to participate in. We need to expand capacity which we are working on to again continue to capitalize on demand and the growth but again that's a business that's been growing very strongly for us.

Moderator: Thank you. We have the next question from the line of Darshil Zaveri from Crown Capital. Please go ahead.

Darshil Zaveri: So my question is about our long term vision which maybe in the next three years, where do we envision ourselves because we've been growing at a good rate and we have made some decent acquisitions also. So what kind of growth lever do we look for in the next upcoming three years or a long term plan that would be helpful?

Management: Okay, good afternoon Darshil and thanks for the question. So what we have done so far right, and I covered some of it in my opening remarks, we are building out a global IP led products and platforms provider. We chose a few segments to operate in, each of these, we believe our segments with one very large demand runways. Second, we believe fragmented or uncontested leadership in some of those spaces. So, I don't see it as a demand which will go away in let's say three years or five years or 10 years this is very long term very, very long demand run rate. So we chose those segments, this is banking, this is transit, this is smart cities, and the government work that we do, within the TIG group there were few segments like data center, the partnership with Murex, et cetera where we again look to capitalize on demand. So these are very, very long demand, we will continue to reinvest back in these businesses to keep on growing at a level as we said 10 strong consecutive quarters of strong Q-o-Q growth, and

we will continue to press the pedal on growing these businesses. When we talk about what strategic M&A for example as a lever that we use, we are sharply focused on completing out the offering. So how do I increase my wallet share with the same customer, so if you actually look at most of the announcements that have happened from us, we are looking at fleshing out the offering so it will increase our wallet share. So two things, one is what is an adjacent space to where we already have an IP that we can expand to. So that's the adjacency part of it. Second is, where can I backward integrate my offering, for example Aurionpro Toshi, to again increase the wallet share on the same segment. So that's essentially the focus for the firm, we believe each of these segments is so large that it will keep on expanding the IP both organically, the IP and the offering and the capabilities around it, both organically as well as through strategic M&A, where we can find an adjacency or opportunity to backward integrate, we will flesh out the offering and grow in those cases. So that is essentially how we see ourselves as growing.

The third aspect to it is, being able to bring our IP from various businesses together to create wider industry platforms in the form of now each of these is almost like a FinTech by itself. For example, the announcement we made around Aurobees, where we bring in our capabilities across payments, across digitization, across supply chain into one integrated offering for the SMEs. From an R&D standpoint that's not a significant or a material spent because all we are doing is bringing IP together, but from an industry impact standpoint that is very, very significant. Similarly hello patients play in the US. So, if I bring it back, we've chosen the segments, we have chosen to build IP in those segments, the focus would be continue to add to it, and keep expanding to the adjacent spaces and continue to integrate the offering to get more and more of the wallet share. We really, strongly believe in all of it coming together in the service of the strategic clients that we go after. So most of the offerings, that if you look at it, the end economic buyer for us is the same. So we are looking at focusing on the set of buyers that you already worked with, and how can I keep on adding to the offering set in the service of those clients. Hope that makes sense.

Darshil Zaveri:

Yes, thank you so much for the detail answer and that gives me a very good broad idea which is, so in terms of numbers could we expect a 100 million revenue in the upcoming three years and what about the margins that we because we've been adding new offerings maybe our wallet share is increasing so margins might increase also so could you give some color on that, that would be very helpful?

Management:

Okay, good. So, I don't think we want to, or we are in a position to give very long term guidance on multiyear numbers. What I would say there is, you've seen the last two and a half years of this journey, and we feel we are able to sustain momentum going out into the future. So, that's where we are, we as a team are focused on capitalizing on the opportunity and continue to sustain the growth levels that we are at over the past couple of years, and well into this year and the next year. So, in terms of numbers that's essentially what we would say. Sorry, what was the other part of the question?

Darshil Zaveri: In terms of margins, because you have made some acquisitions, so that would be margin accretive, or going forward our new products because you're developing them so would that hamper the margins, or you will be able to sustain the margin maybe even better than?

Management: So good question Darshil. So in terms of growth rate, we sustain the growth rate. And then when you see the margin profile of the business, so what really happened is, we bet on segments where we said the economic profile of the business matches our ambitions around margin. So you would have seen the last several quarters margin has come up to a fairly healthy level, it's improved and it's sustained at that level. We intend to operate within the margin thresholds for the existing businesses. So we will be able to sustain where we are, the economic profile may improve over time, but we are not really looking at a significant especially doing any acquisitions to help with expanding those margins, because we are very comfortable with where they are and the growth rate will result in the growth in earnings that will come with it while we sustain the margins. The other aspect to the business is that. So we are at about 22% odd EBITDA margin, and that's where we were more or less. The other aspect of the business is, the investment in R&D that goes in, we are able to add the current margins, keep up a healthy level of investments back into the products that we need to sustain the growth. So we will continue to keep that up at the current margin level without necessarily affecting it as you would have seen we are depending on who's looking at it, we were completely expensing out our investments right now, or majority of the investments. So that's again a point to the fact that the excess as the economic profile improves goes back into R&D, and we expense it out and we sustain the current EBITDA levels.

Darshil Zaveri: If I may can I just squeeze in one more question?

Management: Sure.

Darshil Zaveri: So, I just wanted to ask about our geographical mix. So do we see increasing in maybe US and that might so how would we just a geographical level we might be seeing slowdown somewhere or something. So that's my final question.

Management: So two parts, one is across the geographies we are in we see reasonably robust growth potential pretty much everywhere we are, but we have a heavy concentration in Asia at the moment. In many of our segments, we are recognized as or have built up a very strong reputation as one of the top vendors in the space and our ambition is to increasingly expand both the channel in US, and in Europe for at least the banking and the transit segments to go and sell more in those regions at the moment. We are very Asia heavy, but that is the plan for the future.

Moderator: Thank you. We have the next question from the line of Hiten Boricha from Joindre Capital. Please go ahead.

Hiten Boricha: Sir, I have one bookkeeping question in your opening remark you mentioned our receivable has gone up due to increase in revenue or some delayed in the business. So can you throw some more light on this, what will be our normalized revenue by this year or which segment has led to increase in receivables?

Management: Yes, so it doesn't really impact the revenue per se, because project execution by and large, it affects it slightly but not hugely, the project execution by and large goes on. What I meant there was, we are in the middle of executing some very large projects and in the quarter we faced. So these projects include material that we need to secure from some OEMs, these are very large reputed global OEMs. And we faced or they faced temporary supply chain disruptions in the quarter which delayed the arrival of that material, and hence delayed some of those projects. We are working through those and we actually resolved most of those already and the projects are set to go live in the quarter. So, I don't believe it has a huge material impact on revenue but it does impact the debtor days that we have which have gone up a little bit by 10 or 12 days. So that's the impact, we do expect the revenue momentum to get stronger as we get into the second half, as these projects also go live, as well as we continue executing on the new projects that we are working on. So that's about it on the revenue impact it's not material in my view.

Hiten Boricha: Okay. So actually, my question was on the receivables number itself, so it will be normalized 10- 12 days it will be normalized by the end of this year itself?

Management: Yes, absolutely.

Hiten Boricha: Okay. And, sir I have one more question. You gave the order book breakup of TIG is two third of our books and bank is 1/3, so can you also give the margin difference between this, so what kind of margins we make in TIG and in banking?

Management: So, I'm not at the moment prepared to make a segment margin description, I don't think we've declared that before what I will do, it's a good question what I'll do is we'll take it back to the board to see whether in the future we want to start breaking up the margins, more or less the comment I would make is both the businesses have a fairly consistent margin profile, they've held to it for the last 10 quarters that I can see. And it's not really changing well and our averages hold within the threshold so you can look at the enterprise margin number and say that we are within range of that enterprise number in both those segments. We will take it back to the board and probably for the next call we'll see if we want to declare margin levels at the segment level.

Hiten Boricha: Sir, I have a follow up question on the earlier question. So, I just want to understand receivables is from which segment sir, banking or data center or maybe TIG, just wanted to understand this receivables your from which segment.

Management: It's TIG, it's some specific projects in India, where we have a dependence on some large OEMs. So this is much narrowed down to some specific large projects for TIG in India. And the project is with very so it's typically with very large organizations as well. So it's very high quality debtors we have no concerns at all on the end client or the OEMs in the space.

Moderator: Thank you. We have the next question from the line of Swechha from ANS Wealth. Please go ahead.

Swechha: Sir I've very recently started to look at your company, so I have may have few basic questions, so apologies. Sir, just wanted to understand what is it that comprises in the revenue for sale of software services, and sale of equipment and product license, if you could just help me understand the difference?

Management: So, those two categories the sale of products, the sale of software services is essentially any services that go into enabling our products to the end client. So this will include implementation services, this will include ongoing enhancement and customization services. And this will include the AMCs that go with the software that we sell. So any services required in enablement of the software and the overall offering that we sell so that is it any services. The product and licenses is essentially the one off sort of payments that the client makes to acquire the rights to use this, so which is where we sell a lot of software, for example on the banking side we will sell a loan origination software or a transaction banking software, we normally charge a license for it. And then we charge an implementation fee. So the license will show up on the license breakup, and the implementation services and the ongoing support will also show up on the services side, does that clarify.

Swechha: So in our presentation on slide number #7, you have given the break up, where we've differentiated banking and Fintech, tech innovation, group revenue, and sale of software services, and sale of equipment. So the banking and Fintech revenue will comprise the portion of software and a portion of sale of equipment right?

Management: Correct.

Swechha: Okay, got it. Thanks. So other thing I wanted to understand is, we recently won an order the BEAM order so wanted to understand the 700 crores order book that you've mentioned, does that include this order and does that order book also include we have a big order from a PSU bank and also we are doing something for the diamond industry in Surat. So does the 700 crore include these three orders?

Management: It includes the last two, the BEAM is a very specific partnership that we announced only today. So that is something that we have to build out, it's more of a partnership to really build out an ecosystem and over time it will add to the revenue, but the last two are orders we announced and that included in the order book.

Swechha: Okay. So the BEAM partnership, so can you guide us on the revenue potential for this partnership?

Management: Okay. So, I probably cannot be very specific on the answers. But let me give you the context, so a couple of months back we launched a platform called Aurobees, it is a very specialized platform where we pooled our IP from across various businesses in Aurionpro as well as with a partner to create something which we believe the industry needed. Now, what does the industry need, if you look at the digital economy in India, we've heard Mr. Modi talk about \$1 trillion digital economy. We've heard for example I'm just taking an example of India it's not an India specific platform, but in India how does the digital economy increase. Now SMEs are the heart of any economy and we found the SME participation in the digital space as very, very low. So we don't believe we will achieve the ambition of a trillion dollar digital economy easily without the SMEs participating in the economy. So what we did was, we went back and we created a platform which we believe is very unique. It includes digitization, which is a digital storefront so if you are SME, you want your own e-commerce storefront, or you want to go into a marketplace like Amazon or Flipkart, or on ONDC. So we enable you to have that digital storefront.

The second part of it is financing, where we go in and tie up with a number of banks and financing partners to help you manage your working capital which we believe is of great need to the SMEs. And the third part is enterprise grade supply chain functionality which we have for partner anyway. So this is tier one supply chain functionality no matter where you are in the chain, you are a manufacturer, you are a trucking operator, you are a freight forwarder, you are a warehouse operator, we've got the functionality for you to run your business. And this is tier one enterprise functionality, but thanks to the benefit of the cloud, we bring it at a very, very cost effective per user price point. So now in digitization with financing with supply chain into one powerful offering that allows the SMEs to embrace the digital economy. So we took this and we've now tied up with BEAM to kind of enable this same functionality for the wider agricultural ecosystem, which is where we can have organizations, we can have SMEs who operate on the agricultural economy to use the same platform. So that is essentially what we've built out. It is, we believe a platform with a huge impact, but we are now building out the critical mass in that space, and hence the partnership and hence a few other partnerships we've done to start building out the critical mass and we get the revenue depending on the number of users that come on in the potential is very large. But right now, we will not give specific numbers on the space, you have to think of it as a very fully fleshed out Fintech in its own right, that we build out and we are incubating within the business.

Swechha: Sir, so what kind of order pipeline are we trying to build like across which sectors or which geographies and how many customers did we acquire, did we acquire any customers in current quarter?

Management: So we have not been. So pipeline is very strong so we will again, it's one of the open questions with us to take back and say whether we want to declare the pipeline numbers, but it's a few thousand crores as it stands right now so it's a very big pipeline, we obviously need to convert it to add to the order book and we've seen a strong conversion momentum every quarter. So we feel very good about where the pipeline stands. I will take the question back on declaring the size of the pipeline. Sorry, the second part of the question was?

Swechha: Any customers or any new orders, or customers we have added?

Management: The number of new customers we added in the last quarter is close to double digits. Again, that's a number that we don't declare out fully. But overall, the number of important sort of key clients for us is now north of 100 and that's a very strong base for us to drive the recurring revenues.

Moderator: Thank you. We have the next question from the line of Ganesh Shetty, an Individual Investor. Please go ahead.

Ganesh Shetty: So my first question is regarding the link of a talent pool, because now as we are moving to next phase of course we have a lot of challenges on talent pool, with a strong technological background, so how we are going to sustain that capability and build a strong growth for ourselves. Is there any strategy at high top management level, to build a trajectory so that we can be assured of meeting the growth in our future, can you please explain sir.

Management: Great question thanks Ganesh. So on talent, up a few points, One, we face less challenge around talent as compared to some of the or a large part of the IT industry which are the most services focused players, we on a productivity basis because we drive a much higher productivity given the IP that we've built out, for us the talent challenge is actually not as serious overall, but of course we are growing at +30% for some time, so we do need to keep growing the talent base. We feel we have become one of the more attractive places for the right kind of talent to come in and join. Why is this, this is because one as an employer focused on building out products, building out platforms, and building out IP we believe we are a very unique place for the right kind of talent to come in and do their best work. So, we see a lot of traction increasingly for talent coming in from global firms, for talent coming in for us across the globe in most of our resource centre so we of course have a huge concentration in India, in terms of the resource base, but we also have a fairly significant resource bases in Vietnam, in Singapore, in Malaysia, in some of the other Southeast Asian countries, as well as some places in the Middle East. So it's BBC One, because of the geographical distribution of talent, we find it relatively easy for us to get the right kind of talent. And second, our positioning as a as a sharply IP product focused setup gives us a little bit of an edge in terms of getting the right talent from tier one from so, we continue to focus on one, building a good pipeline to support the growth that the enterprise sees right now, which is we expect to be clocking 30%. So we have to keep the talent base fresh for it. And the second piece is we've also had, a great help

from our geographical distribution as well as some of the strategic M&A that we did. So we feel very good about the position where we are and we'll continue to work on becoming a more and more attractive place for the right kind of talent to come and join us.

Ganesh Shetty:

Thank you for that. My second question is regarding our Toshi Aurionpro, although it is a part of TIG growth, there is a very great potential in developing Toshi Aurionpro as a separate business unit, which can be very profitable for us because it can find application in many of the industries. And do we have any plan to expand the manufacturing base of Toshi Aurionpro. Can we please have some light on this?

Management:

Okay, so why did we acquire Toshi Aurionpro, first of all it was essentially for us to backward integrate into an end-to-end offering in the transit space, we believe together with ATAS, which is Aurionpro Toshi System, we have one of the most integrated end-to-end offering in the transit space. And that itself has significant potential. So, compared to what we are doing right now it really enhances the ability for us to take a much larger share of the spend. The second part is actually very interesting in the businesses that we are in, we are actively looking at expanding the manufacturing capacity to support some of the businesses within the enterprise. Now we don't really have a plan to go outside into unrelated areas, but even within the enterprise to grow capacity, to support the data center work, to grow capacity to support the kiosk work, to again grow capacity to support the transit business that presents a very large potential for Aurionpro Toshi it presents a very large potential for us to go in and take a much, much bigger share of the pie. And that's what we're working on, as your question is very relevant we are actively working on expanding the capacity in that business to meet the demands of the business that we see.

Moderator:

Thank you. Ladies and gentlemen, that was the last question that the management could answer today. I would now like to hand the conference over to Mr. Ashish Rai for closing comments.

Ashish Rai:

Okay, thanks. So, thank you everyone for joining the earnings call. We recognize we've hosted this after some time, going forward, the intent is for us to build out on this and host a call every quarter. The goal that we have as a management team is to build out as transparent a mode of communication with our shareholders as we can and as we go out into the future, which we feel very, very optimistic about. We will continue to share a lot more information with the participants and with the investor community, both through the formal releases and announcements that we make as well as more of these calls going forward. Thank you everyone for taking time out to join this call today and good afternoon.

Moderator:

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