August 02, 2023

To,
Deptt. Of Corporate Services- Listing
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400051.

Sub: Transcript of earning call held on July 26, 2023 for the Q1 FY 2023-24

Dear Sir/Madam,

In accordance with Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find transcript of the earning call held on July 26, 2023 for the Q1 of FY 2023-24.

Kindly take the above information on record and confirm compliance.

Thanking you,

Yours faithfully

For Aurionpro Solutions Limited

Ninad Prabhakar Kelkar

Digitally signed by Ninad Prabhakar Kelkar
DN: c=IN, o=Personal, title=5985, pseudonym=ikKpm0BKwECDGSAvw14cmAbyEJHbQuZbL, 2.5.4.20=3ce8bfe6db74a6add8ad8e6a8f4d084cd03fba22cd58752bac66d1f29428be3f, postalCode=421201, st=Maharashtra, serialNumber=6257ea3d5d4077cda243f29b13e49f4e8f9889b8115d718bf4d123f6399c2c, cn=Ninad Prabhakar Kelkar
Date: 2023.08.02 17:19:24 +05'30'

Ninad Kelkar
Company Secretary

Encl: as above

Aurionpro Solutions Limited
Synergia IT Park, Plot No. R-270 T.T.C. Industrial Estate, Gautam Nagar, Near Rabale Police Station, Rabale,Navi Mumbai 400701. MH-India.
Phone +91 22 4040 7070
Fax +91 22 4040 7080
investor@aurionpro.com
www.aurionpro.com
CIN: L99999MH1997PLC111637

“Aurionpro Solutions Limited Q1 FY-24 Earnings Conference Call”

July 26, 2023

MANAGEMENT: **MR. ASHISH RAI – VICE CHAIRMAN & DIRECTOR**
MR. VIPUL PARMAR – CHIEF FINANCIAL OFFICER
MR. NINAD KELKAR – COMPANY SECRETARY

Moderator: Good evening ladies and gentlemen, and welcome to Aurionpro Solutions Limited Q1 FY2024 Earnings Webinar.

Today on this call we have with us from the Management, Mr. Ashish Rai – Vice Chairman and Director, Mr. Vipul Parmar – Chief Financial Officer, and Mr. Ninad Kelkar – Company Secretary.

Please note that, any statements or comments made in today's call that may look like forward looking statements that are based on information presently available to the management and do not constitute an indication of any future performance as future involves risks and uncertainties, which could cause results to differ materially from the current views being expressed.

At this moment, all participants are in listen only mode, a question-and-answer session to be conducted towards the end of the opening remarks by the management. At that time, you may click the raise hand icon from the toolbar or type your text questions.

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

Ashish Rai: Thank you. Good afternoon, everyone, and welcome to this Earnings Call for Q1 FY24. I'll go through prepared remarks for about five minutes, and then we'll open it up for a Q&A.

We are pleased to announce the results for Q1, which show our continued growth momentum that we've seen across our core businesses for the last several years. Every quarter that goes by gives us yet another proof point on our chosen strategy to build a global products and platforms player centered around creating tier-1 IP assets.

Our strong performance this quarter, is a result of a good demand environment for many of our core offerings and our expansion into newer markets through both strategic partnerships, as well as the expansion in sales channel that we have talked about in the past. This performance is also the result of increasing global competitiveness of our products as they mature, and highly disciplined execution that we saw from our teams across the board from sales to R&D and delivery.

This quarter was an especially great quarter for our R&D teams, with some truly path breaking product launches hitting the market after grueling multiyear build cycles.

While we expect commercial success, every time we launch a new product, what really drives us is solving the hard problems that create net new capability and value for our clients, our partners and society in general. What the numbers will not tell is that the quarter gone by was one of our most successful quarters from the standpoint of bringing new products and offering to market across both Banking as well as TIG.

I will cover some of this as I go through the presentation. I'm sure by now you have receive the deck with details of our performance so allow me to deep dive into the numbers a little bit. When we started the year, we had given guidance of our plans for FY24, which said we will grow our revenue between 30% and 35%. We will deliver EBITDA between 20% and 22% and we plan to hit PAT margins of 15% to 16%. We believe these numbers put us squarely in the top 5% to 10% of the industry in terms of delivering performance, we will do this while funding the R&D spends that as you know, we fund from the excess in terms of product builds right and not recapitalize investments.

So, revenue for the quarter stood at 199 Cr, which is a 36% Y-o-Y expansion and 4% quarter-on-quarter. EBITDA 44 Cr, as compared to 33 Cr, which is 33% on a Y-o-Year basis and 10% sequential. EBITDA margin was at 22%. PAT went to 32 Cr, which is a 33% Y-o-Y expansion and 19% on a sequential Q-o-Q basis. PAT margin for the quarter stood at 16%. So, while we have worked hard over the last few years to reduce lumpiness in our revenue streams by converting where possible to recurring revenue models, such as subscription licenses for example. There is still some seasonality in our numbers. So, I personally think the Y-o-Y comparison is a more meaningful indicator of relative performance than sequential Q-o-Q numbers. Overall, we are very pleased with the execution in Q1. And we feel we are in a great place to deliver on our guidance of 30% to 35% growth for FY24, while delivering the margin numbers that we plan for.

If we move on to the key highlights so, as I said our R&D teams had a truly exceptional quarter. On the banking and FinTech business, getting the in-principle approval from RBI was a great demonstrator of our ability to not only build cutting edge tech offerings, but also back that up with a strong mature operational framework. Aurionpro FinTech in the US launched a brand-new next generation healthcare SaaS platform called 'Revique'. We also had significant wins across Southeast Asia and Middle East and Africa. As you can see, on the slide for the banking business, what we also saw was a dramatic uptick in the number of things that we are competing in,

and our win rates going up. That's a function of both expansion in the sales channel, as well as demand in the corporate banking segment that's coming through.

Similarly, we have significant product launches from TIG, nothing more prominent than ECR-One that we launched at UITP Summit in Barcelona last month, or the month before. This really is a great demonstrator of our ability to do hard R&D and break into large new market segments. We are the only Indian company to have designed, built and launched an EMV compliant card reader and that points to the strength of our ability to do hard R&D. We will continue to enhance our R&D spend this year as we continue to fine tune our bigger products for global markets, as well as key backward integrating into the value chain across both hardware as well as software. Our continued emphasis on building highly differentiated world class IP, as well as our ability to create joint value propositions with other leading industry players will continue to strengthen our ability to win on the global stage, as well as drive long term and earnings power for the enterprise.

As we go further into the year, we will remain sharply focused on executing with energy, with discipline to continue delivering strong revenue and profit growth in this year and beyond. I hope this has given you a useful overview of the overall business context and our strategy and performance. I look forward to answering 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 Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam: What is the opportunity size in the TIG segment?

Moderator: It seems that we have lost line for the current participant. In the meanwhile, we'll move to our next question that is from the line of Kranthi Bathini from WealthMills Securities Private Limited. Please go ahead.

Kranthi Bathini: I just want to know about, as there are the big IT companies in India, they have been giving a pension and reducing their guidance. And there are some kind of implication about the global slowdown all these implications are impacting many of the IT companies and especially many vendors have been reducing their banking and financial services budgets, what kind of impact and what kind of visibility as a company you are foreseeing?

Ashish Rai: If you are a generic IT services company or a commoditized outsourcer or something right now, I suppose there is some uncertainty especially in the Western markets as the interest rates have gone up. That's particular to a very generic services player. We are highly specialized around a few segments that we have chosen, for example corporate banking transformations which we work in through our corporate loan originations product, collateral limit management, transaction banking, and transit payments, we honestly for these segments don't see a demand slowdown at all. And there's a reason for it, a high interest rate environment in general, is you have to understand the kind of clients we sell to on the corporate banking side, it's typically you would have to be a large bank, tier-1 bank for you to need a specialized corporate loan origination system for example. A high interest environment is I don't think necessarily bad for a tier-1 corporate bank, if you look at the results coming out of US, Asia, most large banks with large corporate loan books are actually doing exceptionally well. In a high interest rate environment, your investment banking side will come down, your M&A piece will come down, but actually, banks are doubling down on transformation in the corporate banking space. So, if anything, we've seen a dramatic uptick in the number of deals sort of coming to the table. Same thing with transit, the transformation from closed loop to open loop we think is a decade long transformation. We are still in the early stages of it, like we won that deal in California. That's just one US state, which is leading the charge, but there is a lot more of the market to come to the table. So, honestly, for most of the segments that we chose we see a fairly decent demand environment.

Moderator: Thank you. Next question is from the line of Mitul Mehta from Lucky Investment Managers. Please go ahead.

Mitul Mehta: Just wanted to get some sense on your order book, you highlighted that you have built a INR 800 crore + order book. Now, does this incorporate some of the deals that you have announced in your presentation like the one in Philippines or the Canberra deal or the one in Middle East do these deals are incorporated in these numbers or they are not?

Ashish Rai: So, look, we announced INR 800 crore + order book at the end of March basically, that is what it stood. And typically, most of the order book that we declared almost 80% of it is a next four quarter order book so we would have retired close to INR 200 Cr from that order book in Q1, we added a little bit more than INR 200 Cr so we are at 800 crore+. Those deals that we mentioned these are new deals which are

essentially new additions to the order book. So, INR 800 crore number was on 31st of March, but the number is still of the same range.

Mitul Mehta: So, these deals are incorporated in all?

Ashish Rai: They are now in the order book, but not on that number that you are talking from 31st March.

Mitul Mehta: So, how much you would have added?

Ashish Rai: So, we added something of the order of INR 230 Cr in Q1. So, we were at INR 820 Cr, you net out INR 200 Cr that we retired in Q1. So, the order book went up by about INR 20 - 25 Cr.

Mitul Mehta: Okay. Sir could you speak a bit more on your strategy in the develop country like US or Europe, when do you really go there and bid for larger orders because currently most of our business is concentrated in the Asia Pacific region. So, when do we actually get there and announce some large deal pipeline?

Ashish Rai: Okay. So, the pipeline is already building up. Thanks for the question Mitul, that's a good question. So, the way to look at it is this, our first focus is on building out a product / platform, which is really finished and can compete globally. It's easy to do product deliveries out in the US, if I wanted to supply bodies want to work for someone else, that's easy. Selling products in the US or in Europe, honestly, if you think of it how many India products do you actually see in the US and I don't even mean software, soap, shampoo anything. Today you go out to California, you do a tap-in tap-out on a fully finished Aurionpro validator unit that's sitting in the past in California. So, it takes a lot of hard work, a lot of fine tuning to get the products to a level where they can play in the advanced market. Same thing with the software, with bulk of our assets we are now getting there. So, corporate loan origination, by and large we are at a tier-1 level in terms of both depth as well as breadth of the offering and we are building out the sales channels to take it global. On our payment offerings, we are especially the license technology in the US market. We are already in the US market, for example Q4 or Q3 I may have mistaken we announce the USD 18 million around licensing or payment technology. That is a result of really getting the offering to that level. Transit again, we have broken into California, we announced a couple of other deals, we are now going out a lot more heavily, we've built out the sales team to go out a lot more heavily in the market. So, for a number of our products we are

getting there. US is now up to almost 7% - 8% of our overall revenue. I fully expect over the next few years this number to keep climbing up. But the way to understand it is, because I know a lot of people do benchmark us against IT services, and it's just a very different game to get a fully finished platform or product out. We also launched a healthcare SaaS product last month, the month before in the US market called 'Revique', which is very sharply targeted on practice management sort of offerings. So, we are slowly getting there in terms of launching our offerings. The other thing we are doing which not many players do is license our technology to some of the other global players who will take it to the Europe and US and other market sites. For example, we announced the partnership we have with Finastra, where we are licensing our technology, we will do more and more of those arrangements as we go. So, we are by and large getting there from a product standpoint. So, now it's a question of really finding the right channel, either through a partnership, or go directly and sell.

Mitul Mehta: So, sir as far as your guidance is concerned, you pretty much enumerated about how do you get to a 30% - 35% growth in the current year. Now looking beyond 24, could you spell out your sort of strategy or some degree of visibility as to where do we go in FY25?

Ashish Rai: Okay. So, two ways to answer that question. One, last month we did an investor day where I did present the strategy that we have and articulated what we call the 'Vision 2030'. If you have time, go down and find the video on YouTube or somewhere and probably that will help. The long term ambition is very, very simple. We've chosen our segments, we made four large strategic bets in terms of what you're going after transformation in the corporate banking space, we see a long demand runway transformation in the transit payment space, we see a long demand runway the licensing of technology to other global industries, we've just started when we see a lot of success ahead. So, we've enumerated what those bets are, we said in each of our offerings we want to be a top three player globally in the segments that we compete in. Now, this is not a one year, two-year journey this is going to take time but that is our ambition to get to and hence the desire to build tier-1 assets rather than something that's good enough to compete in Asia or something. So, that's one, so 2030 we've articulated where we want to be.

In terms of immediate guidance, the numbers have been clear about what we hold ourselves to in terms of long-range planning, is target 25% to 30% growth, target

margins of 20% to 22% on EBITDA and 15% to 16% on PAT this is essentially how we plan for our business this is what we believe is the right level to keep growing at. We don't want to grow too fast and risk the delivery reputation because our product business is fundamentally hard, you want to really get a lot of pieces together before you go. So, 25 to 30 is the right level at which we plan for the medium to long term. This year, we had an exceptionally good demand environment and a fairly large order book. So, we guided 30 to 35, but over the long range, the expectation should be for us to be in the 25 to 30 range rather than 30 to 35. I hope that answers the question.

Mitul Mehta: Yes. And sir if you can allow me one more question, if you can allow me sir.

Ashish Rai: Okay.

Mitul Mehta: So, as far as your banking product revenue business is concerned, so let's say currently our quarterly run rate is somewhere close to about INR 90 Cr and we are going to built it as we move along. Now, out of this total, let's say about 400 to 450, about INR 450 Cr of product, banking product revenue, how much would be the licensing part?

Ashish Rai: Reason you ask is essentially what is linked to IP and hence a different margin profile than the implementation part, is that the case? Is it a one off versus, is it a margin question or a recurring versus one off question?

Mitul Mehta: No, it's a margin question is as well as a recurring versus a one-off question. So, I just want to understand the linearity of your banking product business?

Ashish Rai: So, the way to look at it is this, when we sell new deals, typically 1/3rd is license and 1/3rd is AMC and 1/3rd is implementation. License and AMC are both linked to IP, hence a different margin profile than the 1/3rd which goes into implementation. On the overall book, almost 65% to 70% is what you can call recurring or ongoing that's going on and the other 30% is what we sell and deliver in the year. Out of the sell and deliver roughly half would come from existing and half would come from new. So, the actual new dependencies is very, very small. So, recurring roughly, let's say 2/3rd, 1/3rd, recurring and ongoing versus one off, and in a deal licenses are third, AMC is a third, implementation is a third.

Moderator: Thank you. So, in the meanwhile while the queue assembles, we have a few text questions. The first question is from Varun Mohanraj from Skaniva Capital. What is

the business model in TIG transit segment, do we get business from new metro projects alone or we get business for existing metro projects also. If so, what is tenure of such projects? My second question is on data centers, which part of the data center value chain are we targeting?

Ashish Rai: Thanks Varun. So, two questions. So, first coming tackling the transit side, typically so we do compete on new projects. The way to look at demand for the transit side is, there is two sort of parallel movements happening. One is you got the whole western world which is largely an existing legacy technology which is usually close loop and there is a movement from close loop to open loop California being one example. So, a lot of the Western world is closed loop to open loop. So, old tech to new tech, a lot of the emerging world is when new projects are coming out. So, a lot of times it's no tech to over loop tech so both of them are kind of very strong demand drivers for us. We will play in both of those spaces. So, California is an example of old tech to new tech, something like a Haryana transport or a Noida metro or Nagpur metro is an example of almost no tech to new tech. So, we'll play in both of those cases and in the revenue model typically, will depend on the nature of the transaction. Largely, we don't do too many CAPEX deals, we've done those in the past we've also done some recently but then we will normally find a partner who will provide the capital and we will provide the tech and usually outside of India, it's a pure tech deal. California has proven, Canberra has proven, Central America, Latin America our wins even in Africa, it's proven that we can go head-to-head on a tech competition and win pretty much anywhere in the world. So, globally we will obviously collaborate with our larger partners like MasterCard for example. So, Maldives, for example if you look at it together in partnership with MasterCard. So, we will find partners where capital is needed, but by and large we will go and provide the tech. In India, we will do a larger CAPEX transactions as well, but then find the capital partner to work together with us on it. So, which is like Nagpur metro, Noida metro, Kanpur metro, Haryana transport, etc. So, that's essentially transit.

The segment has been going very, very strongly for us and we see a long demand as the world moves from closed loop to open loop tech, open loop tech basically is you used to pre-load a instrument and go to the metro gate. Now, you want to use your card, you want to use QR code, you want to have account-based ticketing, you have all that stuff. So, essentially, moving from here to here, and that I don't think is a moment that can be stopped. And that will go on for some time.

On data center, this is a specific bet we have on the digitization of India, we see a significant long term demand as well as we saw a gap in the market, so we built out what we believe is one of the strongest data center design teams in the country, one of the strongest teams in terms of project managing a build, and there is a significant demand, we've announced a lot of wins in that case, including some highly complex competitive projects that we've won in the space and we've got some fantastic strategic partnerships with a few clients who've been investing heavily in the space. So, data center, we will play across the spectrum, we will normally maintain a mix between design and project managing a build essentially to deliver the net result which delivers to the enterprise expectation on margins, because design would tend to the higher margin and the rest of the stuff would tend to be lower margin. So, you work on a blend which still delivers to the enterprise margin for sure. So TIG on the whole has been growing exceptionally strongly, this is a business which is probably growing even more strongly than the TIG growth.

Moderator: Thank you. The next text question is from Krupa Desai from Electrum Capital. So, on the banking side sir, in the US, Europe would you be replacing the existing competitor or find new customers because I believe large banks there would already be having such solutions placed?

Ashish Rai: Normally we get involved is where the bank is, so, if I take corporate banking is an example where the bank is looking at a transformation on the corporate banking side. So, whether you go into US or you go in Asia, you will hardly find a bank which does not have existing technology. I don't think such a bank exists so you will always have some tech to replace, typically what would happen in a corporate loan origination space is, this is a space where a large bank believes its competitive source lies in the workflow process in the origination process. They have built up a system largely in-house or uses an outsourcer to build it, which is a reflection of how they ran their process. Now there is a need to move to a best practice process, hence, do a transformation of the system move from a custom-built application to an actual first grade product. So, if you see corporate loan nomination space, we participate in Chartis with tech leaders quadrants, we are squarely in the leaders quadrant on corporate loan origination or collateral management or limit management. And this is the leader quadrant globally. So, we are one of the top choices the bank has in terms of if I wanted to incorporate best practice in my ordination process and move to a package product, we are one of the choices. So, typically, the move is not from some other product to us, typically the move is from a custom build job the bank did,

and which is 90% of it, or especially the product they bought long time back and move to an Aurionpro solution.

Moderator: Thank you. The next question is from a participant from Columbus Investments. Please share details of the new products that you have launched in this quarter, especially since you mentioned that it was a great quarter for the R&D team. Thank you.

Ashish Rai: Thanks for bringing that up. So, it really was an exceptional quarter right and numbers are numbers, but there's some quarters that make you truly feel I suppose why you jump out of bed every morning and come to work right. So, it's ECR-one for example that we launched in Barcelona last month, Sanjay and his team launched that's almost two years of grueling hard R&D, to go out and build a card reader which is EMV compliant and it does sort of things, one is it obviously completely changes the margin profile of our own validator unit that we will be manufacturing because that's a key component of the validator, so it immediately improves our margins on it. But the second thing is, you really need high quality card readers everywhere, so it just opens up a brand-new market, strategic partnerships of a very different scale for us once we roll these out and can manufacture them at scale, not just for our own validator units, but even for as a standalone product by itself. Similarly, we launched, so that is like, it is really exceptional I don't think there are many firms, forget in India, even on a wider scale who can do it and that was a great achievement. We launched a health care SaaS platform in the US, Revique, which again has gone through a few iterations and finally, launched for a very specific segment of the market, we are already taking in a few clients and fine tuning the product further. So, that is a big one. We came up with core sort of new releases for a number of our products. So, what is happening to Aurionpro right now is, as we go into new market, so we did not really have till 9-12 months back when we started investing in the sales channels, we had a much smaller pipeline, which was a lot more narrowly focused in terms of geography. Now, as we go wider, we enter new markets, even when you have the core product builds done, you need to fine tune the product for the market that you're going to. Banking tends to be a highly regulated industry, and transit as well, will on the application side will need to do a bunch of work. So, we actually had new versions come out of a number of our offerings, we also are working with a few strategic partners. So, that is on the banking side. We also working with a few strategic partners in terms of, so like the Finastra partnership that we announced. And now by and large we will not announce new partnerships in the space for confidentiality reasons, but we're

working on a number of other product releases which are specific to working, licensing our technology to other large global ISP. So, if I go back to the Finastra example for a second what is it that we are doing, we have a cutting-edge quick management solution. So, we know how we do that Finastra has a number one trade finance solution in the world. We are co-creating a real time limit management functionality call it a module inside which will work together with the Finastra trade finance solution. Now, one we are already working on the first client on that one. And once the integration is done, the product is generally available, it becomes accessible to the entire sort of client base for Finastra, if they want to get into real time frame limits. So, arrangements like those need the product to be fine-tuned and then release. So, we actually got three of our core offerings versions out as well in the quarter. So, there is a lot of work that was in the train for 12- 24 months that came out in the quarter. And that is something that we are especially proud of, numbers are numbers and obviously that's what we work for. But we also work for the impact that we make and that's the sort of R&D success that I was talking about. Thanks for the question.

Moderator: Thank you. The next question is from Vivek Gautam from GS Investment. What are we doing to improve our perception due to past CG issues? Please highlight our USP and moat and how is the opportunity size in all our segments?

Management: Past corporate governance issues. Okay, so unless there is something specific to answer, I don't know what I can say about past issues. Look, the way we are running the business, is our goal is to be highly transparent. Our goal is to create net new value in the world. Our goal is to build out the global IP-led products and platforms player rooted in India, rooted in Asia, we don't believe there are too many of those. And we believe there is a giant market opportunity. If we get our view right. We chose a few bets, we are building against those bets, we are running a highly transparent business, we have a very clean balance sheet, we had INR 170-180 Cr of debt, and we retired it down to a fairly low number. We don't capitalize any, with the exception of the payment side where for regulatory reasons we capitalize a very small, not a material amount. We expense all our R&D so there is no significant intangible assets sitting on the balance sheet. So, unless there is something specific I can answer around corporate governance, we run one of the cleanest businesses, one of the most competitive businesses in the place. Our product have been on Chartis with tech leaders quadrants, there is no vendor in India, there is no vendor in Asia which can claim to be there, if you talk of a few competitors, they have far to the left not even

threatening to get anywhere close to the leaders quadrant in the next 10 years. So, we create real value, we run a competitive business, we have been very clear about where we want to be in 2030. I hope that is good enough, but very happy to take on any specific questions.

Moderator: Thank you. The next question is an audio question from the line of Sahil Sharma as an Individual Investor. Please go ahead.

Sahil Sharma: Yes, the question is, since we have tier-1 IP, and when I look at the distribution or geographical distribution of revenue, most of it comes from India, and then from APAC, we get a very small percentage from USA, and almost none from Europe. So, what I wanted to understand is, what is our strategic direction for growing that pie, selling our tier-1 IP to Europe and USA and increasing that and what could this look like in two to three years or whatever timeframe you can talk about?

Ashish Rai: Yes, thank you Sahil. So, first our product businesses in Southeast Asia, Middle East and India, that's where we mainly been centered, are highly profitable. We can drive margins in these markets, which are better than what most players can drive in USA or Europe. And I would say pretty much 98% of the industry would do lesser margins then us then what we can do in Asia typically the reason people don't like being in Asia and India is because they're selling essentially services, which is selling work hours for someone and you don't get the right realization on those hours in these markets. But when you're doing product that is not a big problem. So, that's number one. So, we can run a highly profitable business in these markets but of course you're right. We don't aim to be just in Asia, our ambition is to get to like I said, top three in our chosen segments globally by 2030. Now, it is a long hard journey to get there. And to compete in US and Europe there are two things that are needed. One is, the products really need to be very competitive and suited to the banks or suited to the banks or the providers there. On the transit side, we are there; we can go out and compete with the best in the world and win. So, I keep coming back to California but if you look at it, it's a competitive global RFP. There is no choosing favorites on that one. There is no fixing the game, it's a competitive head-to-head and we go and win. Which means if I can win in California, going head-to-head with pretty much everyone in the world we can win anywhere. So, we believe from a product standpoint, we are very well placed on the transit side.

On the banking side we are very well placed in Asia so corporate loan origination is as deep a product as you get anywhere in the world. But we want to really go market-

by-market, make sure we are suitable and then go. So, one is that making the product fit for purpose for the bank, it's not a question of depth, it's a question of adapting to the market. And we will go slowly as we do that. The second is building a sales channel. Now building a sales channel, I'm not a huge fan of hiring 10 guys throwing them in the US and then hoping that works, selling in large banks is a, you need to play the long game here. So, what we are trying to do is we are saying, Yes we will organically build out our sales team, we beefed it up in the US, we don't have any in Europe right now. And we will support those teams to succeed as that unit succeeds we will scale up. So, we are not in a rush to scale up with a large sales team on day one, we will scale it up organically as we build a box, that box succeeds then we scale it up double the size, that box succeeds we will double it again. So, we will organically grow. But to speed our time to market, what we will do is we'll go and focus on strategic partnerships that can take our products global, which is where in every large segment that we exist in, where our products can play together with a large global ISV, we will go and get into an arrangement where we develop IT. Because we are very good at building products, we are very agile, we are very cost efficient in terms of building it we know how to play the product game, we know what it takes to build a product, we know what it takes to manage it, we know what it takes to stand up an implementation team, we know what it takes to surround it with the API framework, we know what it takes to make it cloud native. There, it's not a game that the commoditize outsourcers can play. So, we use our strengths, strike women partnerships and that will allow our products to go out with a lot more. So, Finastra, we announced we will probably announce a few more. But most likely without mentioning the names of those vendors. And we'll do more and more of those and those will also take our products to Europe and to US. And those will be, once you see the results of it and those results should come out much more sooner than 2030, those would be exceptional win-win situations which is a win for the client, win for both the partners working together in terms of co-creating those solutions. So, that is how we will go strategic partnerships, deep partnerships, expand sales channel in the US grow organically, and continue to drive the channel in Asia. Asia is also if you see most of our sales expansion is 9-12 months it's very new for us. So, we got a lot of headroom in Asia as well which we will keep tapping on to. So, that's essentially the begin.

Sahil Sharma: Sir, when we look at the licensee got for payment aggregation, can you just share like how we would leverage that and what is the business model there, for AuroPay?

Ashish Rai: Yes, so AuroPay, look payments, as you know digital payments is a vast market. We've applied for licenses in India which we got an in principle approval from RBI from and we applied for license in Singapore which is still in the process. The goal is not to become the 51st payment gateway in India and join the race to the bottom on margins. The goal is to strategically play in areas we are strong in. So, this is something that I've explained before, what is the key strategy when we go into a segment, so first is we choose a segment, we choose a segment where we believe the demand runway is long, we believe the leadership is fragmented, or at least contested on a global basis and we believe we have the ability to build out a tier-1 asset. So, once those three conditions are met, we are in that segment like corporate banking, transit, whatever. So, we choose a segment, when we go into that segment, then what are we trying to do, it's not just building a product, what we are saying is, we're not that keen on sitting in a box that says software or hardware or services or whatever. So, we are a tech player, we will look at the whole value chain, we will look at how does the client buy in the case of a transit operator it goes from a validator to the software around AFC, to the payment stack, to gates, the whole thing. In the case of a bank, it goes from the software to the implementation to the cloud. So, we look at the value chain, we will try as far as possible to occupy every point on that value chain and become the most cost-efficient producer on every point of the chain that is what allows us to really build up a competitive advantage over everyone else who's playing that game who thinks there are a software, hardware or services vendors. And that allows you to drive margins, so that is the big game. Now coming back to your AuroPay point, transit for example, we are end-to-end and the payment offering can play very well with transit where we already hold the contracts, so allows us to expand the margin on the same business that we are doing anyways better. Second thing is, for example, the B2B SaaS platforms, we have enabled B2B payments which we believe is under served niche, so we've chosen spaces where first, we have a competitive advantage, second we have a margin expansion game. Third, we have the ability to really differentiate ourselves and go after the underserved market. So, that is essentially the game for digital payments, we believe this is a huge market. Even when you get so specialized, you're obviously competing with everyone else. But we are in spaces where we believe we are, once we have the offering fully ready so we got the principle approval but we still need to get the final one. So, then we essentially play in spaces where we have that unique competitive advantage.

Moderator: Thank you. The next question is from the line of Suryansh from Bizx Enterprise LLP. Please go ahead.

Suryansh: So, I need to ask that after recent capital raise, do we need further capital raise in near time?

Ashish Rai: Thank you Suryansh. So, the short answer is no. The capital raise that we did is actually a very minor capital raise. It's not a significant capital raise. As a business, so like I've said on previous calls, we are kicking up enough capital to reinvest back in the business and can support the organic growth of 25% to 30% levels. And the additional capital that we have raised is, it sort of improves the strategic flexibility for us a little bit as we go into an environment where we see some very large opportunity, our ability to react to it improves slightly, but it's not a huge amount of capital raise it's a very minor capital raise. So, that is the only ambition behind that it's sort of improve the strategic flexibility over the next 12 months to react to significant opportunities which we think may appear. So, if they don't appear it's essentially using general corporate purposes. Do we need more capital long term, so this is what is happening to the business, what we said is first choose the segments, we did that. Second, build out assets initial segments that were completely done most of it. Third, go out and expand organically in each of those, be ready for scale. So, if you go back and see that Vision 2030, the period in the middle is that scale readiness period where we say, because the product business is not the same, if I want to grow 30% doesn't mean I have to go and hire 30% more people, I need to actually have far lesser people but then I need to tie the whole thing end-to-end right from how we design, how we fine tune, how we manufacture even, we've got a bunch of manufacturing facilities for products in Southeast Asia as well as India, how we get the software side, how we get the operations right. So, need to get the whole thing fine-tuned as we really scale. So, we can see a situation where we have built out a lot of products and we are ready for scale from design to manufacturing, to software and we can deploy more than the amount of capital that the enterprise is kicking out. But, I would say if we ever reach that situation that would be to support growth rates more than the organic 25% to 30% that we've been committing. So, the short story 25% to 30% to support that growth, I don't think we need any excess capital.

Suryansh: Thank you, sir. And one last question was that sir, are we also playing something on insurance side or not like we are in banking, are we playing in something in insurance?

Ashish Rai: Not in any significant way at the moment, we've been talking to a few insurance clients in terms of supporting the digital efforts, and especially on the payment side, but we are in the US it's by happenstance, but essentially we have become some sort

of a key link in the payment chain in the insurance business because of, our licensed technology being used by some of the very large payment facilitators to the insurance business in the US. So, we've been exploring some conversations in the insurance space around leveraging the payment technology further. But that's not insurance domain offering that's essentially a payment offering. It's just that an insurer happens to use it.

Moderator: Thank you. Sir we will take the next questions from the line of Paresh Doshi. One, Next Generation Treasury Application, NGTA, issuance of RFP, a pre-bid meeting for the captioned e-tender was conducted at 3:00 PM, on June 23rd, 2023. This was attended by the company, so when can we expect RBI license to operate as payment aggregator. Please throw light on the above two matter.

Ashish Rai: I don't think the two are linked. The information that you picked up on the participation in the RFP, if that is an open thing then just go by what it says, I'm pretty sure it doesn't say anything about the payment licenses. So, the two things are not linked.

Moderator: Thank you. Next question is from Umesh Matkar from Sushil Financial Services Limited. Can you explain on Revique Health Care SaaS platform, and how it fits to your current business model?

Ashish Rai: Just on the previous one, I missed answering the second part of the question which was how long does it take for us to get the license? So, while I'm pretty sure that especially RFP point made and the payment thing is not linked, we are going through the process in terms of fulfilling the operational parameters that RBI needs for them to come in and do the inspection and do that right. So, that will take a few months before we get into that inspection. As we get to that milestone, we will inform in the right forum as we get there. So, coming to Revique, it's a SaaS platform which focuses specifically on specialized kind of practices, we've built up a platform that if you are a specialized health practice, or a med spa you can actually use this as the main software to onboard new patients, to manage your practice and to enable all the payments around it. Now this platform has come out of an acquisition we did 12 months ago, I may be wrong with the time, but last year which was called 'Hello Patients'. And what we've done is, we've combined our payment technology, with some of the software that was getting built around Hello Patients, we completed the software, we completed large parts of it to be relevant to one part of the market and combine that with the payments technologies. And that's what we've launched. So,

this is still a soft launch where we are going out and fine-tuning it for the initial set of prospects and clients and then we tend to push it a lot harder. Even if you go after just the med spa space in the US, that's a huge space. And there is a clear edge we have on the payment side of things in terms of really enabling seamless transaction for the client. So, I believe we have some real value to add in terms of the experience that a client gets from the practice, both in terms of onboarding, regular user practice as well as the payment side. So, that's essentially the play.

Moderator: Thank you. The next question is from Mayur Damani, as an Individual Investor. Congratulations on a great set of numbers to team Aurionpro in spite of the biggies not able to deliver on a high base and business model. What is our strategic planning for future orders that is beyond 800 Cr and four quarters from now. Expanding in USA, MEA region and others?

Ashish Rai: Okay, so thank you Mayur. I would not speculate on where the order book will be in 12-24 months, I don't think that's really very relevant to our planning. For the next 12 months, honestly we need very little sell and deliver to do the next 12 months. So, as I've said a few times in the past when we looked in the near term, which is four to six quarters, demand is less of a problem than capacity. What we need to get this our capacity in order, what we need to get is end-to-end make sure the chain is so tight that we are growing while enhancing our delivery of patient not putting it at risk as we grow too fast. So, the challenge for us is not that, in terms of new business that we really need to close to deliver the next 12 months that is a very small amount. And 75% of that would come from the existing clients. So, it's really not a big thing in terms of order book expansion. Over the longer term, we plan to grow at 25% to 30% revenue, roughly 1/3rd of our revenue every year is new revenue. So, which is basically needs to come from the sell and deliver. To deliver that 1/3rd, you typically need to sell about kind of 17% more than that. So, that is essentially what the sales numbers should be at. But the way we go is, we really go bottom up, we go product-by-product, we set a number of what we can take, honestly at the moment and then derive the revenue from that, and we will sell correspondingly what is near to deliver that number. I don't think we are in a situation to really go all out and capture as much of sales as we realistically can. Because the way to look at it is this, in most of the segments we are extremely competitive, whether it's transit, whether it's banking, extremely competitive. So, if your limit is your ability to take business, not your ability to sell, you would want to calibrate sales to make sure you're not sort of endangering the capacity. So, that is essentially what we are doing, it's not blindly sell as much as

you can, it is decide how much you need to sell to deliver the 25% to 30% and then calibrate the sales there in terms of how much capacity you put on the field. Now, that does not take into account some of these new strategic partnerships that we formed, because honestly we don't know what that would drive in terms of future sales. So, that is one sort of variable which we are not planning for at the moment, which may increase the amount of sales we may have to take. But we will sort of cross that bridge when we come to it.

Moderator: Thank you. Ladies and gentlemen, that would be our last question for today. I now hand the conference back to Mr. Ashish Rai for closing comments. Thank you and over to you, sir.

Ashish Rai: So, thanks everyone for joining the call. Q1 was a good demonstrator of, I suppose the continued success of our strategy, the journey we are on is a long journey so one or two quarters do not really, they are not so material in the larger scheme of things other than as proof points to say whether we are going in the right direction in that sense Q1 was encouraging quarter for us. We will remain focused on delivering to our plan of growing 30% to 35% this year and maintain the margins that we are at. I look forward to seeing you in the next earnings call. Thank you very much.

This Transcript has been slightly edited at few places for clarity and accuracy and may contain transcription errors. The Company or the sender takes no responsibility for such errors, although an effort has been made to ensure high level of accuracy