



iValue Infosolutions Limited
(Formerly known iValue Infosolutions Private Limited)

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June 03, 2026

National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
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Mumbai – 400051

BSE Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001

Trading Symbol: **IVALUE**

Scrip Code: **544523**

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript

Respected Sir/ Madam,

The Transcript of the discussion on the Company's Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2026, presented during the analyst meet held on May 27, 2026, is attached herewith and is also available on the Company's website at <https://ivaluegroup.com/en-in/investor-analyst-corner/>

The analyst/investors meet commenced at 06.30 P.M (IST) and concluded at 07:31 P.M. (IST) on May 27, 2026.

You are requested to kindly take the same on record.

Thanking you,

Yours Sincerely,

For iValue Infosolutions Limited

Lakshammanni
Company Secretary and Compliance Officer
Membership No. A51625





**“iValue Infosolutions Limited
Q4 FY26 Earnings Conference Call”**

May 27, 2026

**MANAGEMENT: MR. SUNIL PILLAI – CHAIRMAN AND MANAGING
DIRECTOR – IVALUE INFOSOLUTIONS LIMITED
MR. KRISHNA RAJ SHARMA – EXECUTIVE DIRECTOR –
IVALUE INFOSOLUTIONS LIMITED
MR. SWAROOP MUVVALA – CHIEF FINANCIAL
OFFICER – IVALUE INFOSOLUTIONS LIMITED**

**MODERATOR: MR. PRATIK JAGTAP – E&Y LLP, INVESTOR
RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the iValue Infosolutions Limited Q4 FY26 Earnings Conference Call. 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 this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pratik Jagtap from E&Y LLP, Investor Relations. Thank you and over to you, sir.

Pratik Jagtap: Thank you for joining the earnings call of iValue Infosolutions Limited for Q4 FY26. The results have been mailed to you along with the investor presentation and it will be also available at www.ivaluegroup.com. In case anyone does not have the copy of investor presentation, please do write to us and we will be happy to share it with you.

We have the top management with us, Mr. Sunil Pillai, Chairman and Managing Director; Mr. Krishna Raj Sharma, Executive Director; and Mr. Swaroop Muvvala, Chief Financial Officer. Mr. Sunil will start the call with a brief overview and business update, and then Swaroop will take us through the financial performance for the quarter and full year FY26. Then we will open the floor for Q&A session.

Before we start, I would like to remind you that anything that is mentioned on the call that reflects any outlook for the future or which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainties that we face. These risks and uncertainties are included but not limited to what we have mentioned in the prospectus filed with SEBI and subsequent annual reports that you can find on our website.

Having said that, I will now hand over the call to Mr. Sunil. Over to you, Sunil.

Sunil Pillai: Hi, thanks Pratik. Good evening, everyone and thank you for joining us for the Q4 and full year financial year 2026 earnings call. Let me begin with a quick business update for the year and the quarter gone by.

Financial year 2026 has been a year of strong and consistent execution for iValue, where we delivered gross sales of INR 2,913.9 crore, a growth of 19.5% on year-on-year basis, and a PAT of INR 102.2 crore, a growth of 20% on year-on-year basis. We are happy to share that our performance has been in line with the projections we made.

The growth during the year has been broad-based across all four technology segments. In fact, all our four segments have recorded growth during the year. Cybersecurity continues to remain our core engine with 50% contribution to our gross sales, which has also grown the fastest in this year. While DCI continues to be a key growth accelerator and happy to report 29% growth for Q4FY26.

To give you an outlook for financial year 2027, we see an environment of strong demand across segments. Our qualified opportunity book has reached up to INR 5,800 crores with conversion rates in the range of 30% to 35%. This gives us strong revenue visibility and margin predictability as we enter financial year 2027.

Some of the key focus areas for us as we step into FY2027 are

1. Cybersecurity, of course, continues to be our strong focus area with growth around AI. AI security becomes paramount for enterprises. We are working on certain use cases around LLM security, AI governance, AI risk management, and integration of AI into SIEM, SOAR, observability, and threat intelligence platforms. Apart from AI-led growth, we see strong demand in our traditional Cybersecurity vertical as well. We believe these tailwinds will give us a good start going into financial year 2027.

2. Data Center Infrastructure (DCI) continues to remain our primary growth engine with emerging opportunities in AI data centers, GPU infrastructures across BFSI, enterprise, government, opening new avenues for growth and expansion.

3. AI and next-generation digital infrastructure is rapidly emerging as one of the most transformative technology shifts globally. While there is a hype, but we believe this presents a significant long-term opportunity for iValue. Over the last few quarters, we have been actively strengthening our capability across AI-led infrastructure, GPU computing, cyber security, cloud, data management, and high-performance digital platforms to align with evolving enterprise and government requirements. We have a slide detailing our AI strategy which has been added to the investor presentation.

4. Moving on, geographic expansion. Over the last three, four years, we have steadily expanded our presence across the SAARC region. Building on this momentum, we are now evaluating opportunities to enter select ASEAN. Our strategy will be measured and paced, initiating operations on a controlled scale to access market viability, customer adoption, and long-term sustainability before committing significant investment for accelerated growth and expansion.

5. Our cloud business, particularly around Google Cloud, continues to remain a strategic focus area and a key long-term growth driver for the organization. During financial year 2026, we successfully built an order book exceeding INR 300 crore, which provides strong multi-year revenue visibility and is expected to translate into sustained revenues over the next three to five years.

Significance of this business lies not only in the scale of the order book but also in the quality and the predictability of revenues it brings. Cloud engagement inherently creates deeper customer interaction, integration, high stickiness, recurring consumption-led billing, and long-term managed services opportunity making this a highly annuity-driven business model with strong margin visibility.

With a robust pipeline, increasing enterprise cloud adoption, strong execution capability, and building long-term customer life cycle value, we believe the cloud business is well-positioned to become one of the most stable and scalable revenue engines for the company over the coming years.

As our key differentiators continues to lie in our ability to operate beyond the boundaries of a traditional technology partners with strong multi-OEM integrated solution capabilities, deep

engagement across system integrators and enterprise customers, a robust COE-led pre-sales and solutioning framework, and domain-led expertise across BFSI, healthcare, manufacturing, and other verticals, we are increasingly positioning ourselves as a strategic technology transformation partner.

Looking ahead, we remain highly optimistic about FY 2027 and expect it to outperform FY 2026 both in terms of revenue growth and profitability. The confidence stems from a strong executable pipeline, growing annuity-led revenues, accelerating AI and digital infrastructure opportunities, and operating leverage benefits. Our continued focus remains firmly on profitable growth, healthy cash flow generation, disciplined execution, and building a scalable technology-led business with long-term shareholder value creation at its core.

Capital allocation and shareholder returns. In line with the strong cash flow generation and improving financial profile of the company, the board continues to evaluate various avenues for long-term value creation, including strategic inorganic opportunities as well as shareholder returns initiatives such as dividends or share buybacks.

In the event the company does not pursue a suitable inorganic growth opportunity, the board may consider enhancing shareholder returns subject to sustained business performance, cash flow visibility, capital allocation priorities, and requisite approvals.

With this, I end my opening remark and I now hand over to Swaroop to take you through the financial performance in greater detail. Thank you.

Swaroop Muvvala:

Thank you, Sunil. Good evening, everyone. Thank you for joining our earnings call. This is our Q4 '26 as well as the full year earnings call. Sunil has given a high-level brief about our financial performance. Let me take one step deeper on that.

To start with our gross sales. Our gross sales stood at INR 2,914 crore for FY26, which is around a 19.5% increase over the last year. Our PAT, the PAT which I'm referring is a normalized PAT excluding the impact of the one-time cost on account of the new Labour Code. Excluding that, we are at INR 102.3 crore for FY26, which is almost 20% growth over last year. For Q4, the Gross sales was around INR 750 crore, which is again up by 12% over last year.

As Sunil mentioned, all four technology segments for us have grown this year, which is a very positive sign for us. Not just that, all our subsidiaries and regions where our operations have all grown.

Cyber security is our largest vertical and also our fastest-growing vertical for us in FY26. Cyber security contributes around 50% of our total business for us.

Our annuity business, which is the recurring revenue business which we have, that also has seen a good growth and it is contributing to around 42.2% of our gross sales this year.

Gross margins for us are at INR 266 crore as compared to INR 243 crore for the last financial year.

Operating leverage. This is one interesting point which I wanted to share with you all. As an organization over the last one, two years, we have made all the necessary investments which are required in terms of manpower, office space, and other relevant aspects for the next coming two to three years. Because of this, out of the incremental gross margin which we had in this year as compared to last year, more than 85% of it has flown down into our EBITDA. Going forward, we believe that this operating leverage will sustain and at least more than 70% of the incremental gross margin will be coming down as an incremental EBITDA directly to us. We can see this happens for the next two to three years happening like that.

New Labour Code. If you see our financial statements as of Q3 '26, we have reported a one-time cost of around INR 5.7 crore due to the incremental cost pertaining to gratuity and leave encashment on account of the new Labour Code.

We have restructured the salaries of our employees now. If you recall during that conversation as well, we said that we will be doing that exercise and if there is any benefit or incremental cost, we will just take a call on that in this quarter.

Similarly, we have done that exercise where we have gone through the entire restructuring of the salaries in lines with the new Labour Code and then that has resulted in a saving of INR 50 lakh. So, which means that our total one-time cost on account of this new Labour Code stands at around INR 5.2 crore. The PAT for this period is around INR 102.3 crore before the exceptional hit on account of Labour Code. This is a 3.5% PAT on our gross sales.

This year one of the significant achievements for us as a team are the improvements in the working capital. If you see our receivables have grown around 17.5% whereas our top line grew at 20%, which means that our receivables grow slower than our top line. Whereas our payables grew at 33%, which is significantly faster than our top line. This is because of favorable payment terms negotiated in certain large deals, certain good collections which we have made in this year. Because of these aspects, our net working capital days has come down to 30 days. In addition to receivables and payables, our inventory was also at significantly lower levels. Last year we were at INR 12 crore, now it has further come down to INR 6 crore, which shows our robustness in the operating model. This working capital of 30 days is something which is a very good number to have. While this might not be achievable every year, we would like to have this number sub-40 days going forward.

Cash position, because of the improvement in the working capital, we were able to showcase a cash flow from operations of INR 108 crore. This is the first time in iValue's history where we are able to showcase a cash flow from operations higher than our PAT. Our net cash, cash after adjusting for the debt and borrowings, is around INR 212 crore for the year.

Return ratios, we were able to record best-in-class return ratios of adjusted ROCE, adjusted for net cash, of around 40.5% for the full year and ROE of around 18%.

Another important highlight, which I wanted to bring to the attention of everyone is our contingent liabilities. If you see our financials as on 31st March 2025, that is last year financials, we had a contingent liabilities of INR 10.7 crore on account of pending disputes with customs

and GST authorities. Some of the cases have moved ahead. None of the cases we had an adverse impact, but some of the cases we had favorable judgments, because of which our contingent liability now come down, and it is at INR 6.3 crore.

All-in-all, what I can say is we had a very good FY26 with growth in top line, profitability. We maintained margins. We have showcased and demonstrated our operational discipline and also our focus on cash flows. This helped us in showing all these numbers.

Coming to few points what Sunil has touched upon which I'm once again touching upon. One of the queries which I had amongst our friends, investors, either during these calls or otherwise in our NDRs which we do, is about a dividend or a buyback or capital allocation. As Sunil mentioned, the Board has gone through the cash flows which are there right now. And if in an event we are not able to do any successful inorganic during this year, we'll come out a policy of our dividend or buyback and then we will see how it can be executed during this year or early next year.

Our overall focus for FY27 would be around profitable growth, better balance sheet discipline, and ensuring sustained operating leverage. We believe that our FY27 growth will be faster than the growth recorded in FY26 in terms of both top line and profitability.

Thank you. With this, I'll hand over the call to the operator for any Q&As.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Vibhav Khandelwal with Laburnum Capital. Please go ahead.

Vibhav Khandelwal: Congratulations on great results. Just wanted to ask for the Q4 gone by, were there any significant deals that you had maybe done, maybe similar to the GSTN deal?

Sunil Pillai: Hi, good evening. Yes, Vaibhav, good evening. Yes, we do have because traditionally you know that our Q4 has been a spike in the business. And we do have a little more than couple of deals, large deals that we cracked in Q4. The execution is still on. We have billed them. The service is still on. That's the reason I'm reserving naming those accounts right now, because there are other listed companies who may want to come out with those names. So hence, I'm reserving those names right now here on this call.

Vibhav Khandelwal: Understood. Thank you. One more question, you touched upon the capital allocation front, and you had mentioned that you are looking to maybe expand in the ASEAN region. So if, let's say, you do consider any inorganic activity, what would be the key criterion you would look for before acquiring, you know, any targets, synergy or IRR targets, anything you would have?

Swaroop Muvvala: Business synergy is of paramount importance to us. We have told what our focus areas for us in the current year and short term are, which are into cyber security, cloud business, DCI business, geography expansions and all that stuff. If good targets fit into some of these aspects, I'm sure you'll not find a target which will fit into all the aspects, but in most of the aspects and we see that there is a management and business synergy across both the organizations, we will look at them.

- Vibhav Khandelwal:** Understood. Swaroop, one small question for you. I think in the PPT you had mentioned a 40% ROCE or thereabouts. Could you maybe just walk me through how exactly is that being calculated?
- Swaroop Muvvala:** So as I mentioned, this is an adjusted ROCE. The ROCE is adjusted for the net cash. So, from your net worth, you are reducing the net cash of INR 212 crore and then using it for the computation of the ROCE.
- Vibhav Khandelwal:** Understood. Thank you. Those were all my questions. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Vinay Menon with Monarch Capital. Please go ahead.
- Vinay Menon:** Hi sir, congratulations on a great set of numbers. Couple of questions from my side. Can you give me the quarterly update for all the segments, like what kind of growth did we see this quarter for ALM, ILM, data center, and cyber security?
- Swaroop Muvvala:** For Q4 you're asking, Vinay?
- Vinay Menon:** Yes.
- Swaroop Muvvala:** Okay. Q4 versus Q3, the cyber security has been flat. DCI has grown up by 25%. ILM has degrown by 70% and ALM, cloud and others are grown at 80%. This is sequential. If you talk of year-on-year, cyber security has grown by 19%, DCI has grown by 29%, ILM has degrown by 20%, and ALM, cloud and others have grown by approximately 10%.
- Vinay Menon:** Okay, that helps. And any kind of OEM additions did we see this quarter? Any new OEMs or are we working on any deals to add some OEMs?
- Swaroop Muvvala:** Over the last one year, we have added six new OEMs. And details of that are also there in the presentation, you can see them.
- Vinay Menon:** Okay. And in this quarter, did we see any ASP-related growth because hardware prices were higher. So, we have a decent element of 30% to 35% of hardware in our overall mix. So any inflation in that also helping our revenue growth this quarter?
- Sunil Pillai:** Vinay, when you say this quarter means you are talking about the quarter that's gone by? Q4. No, see, Vinay, fortunately, our hardware is customized for a particular customer. So, when the customer places an order, we place the order on the OEM and since it comes in a customized manner and it gets delivered to the customer. So, I didn't see any spike in it because of that in Q4 at least. But going forward, I don't know whether the trend would continue, but what we see in our outlook is that we would have a spike in that area also.
- Vinay Menon:** Okay. And in terms of the pipeline which you mentioned of INR 5,800 crore, so this includes all large deals and everything. You mentioned a conversion of 30% to 35%. You know, earlier you mentioned about 25% odd percent. So, are you seeing more wins than what we used to? Any indication on that?

- Sunil Pillai:** Two things are taking, why we are saying that 30% to 35%, why we uplifted that is that we are seeing two trends in the market. One is that the customer decision has become slightly faster. And we see that that could be because of certain events that happens in the market. Second thing is that our COE have been able to showcase those level of integrated solutions to the customer, that is making it faster for them to take decision around it. And which is helping us to get a turnaround time slightly better than what it used to be in the last four, five years back.
- Vinay Menon:** Okay. And one last question, I think Swaroop sir, you can take it. That we had one line item called long-term receivables which is about INR 15 odd crore which is not there anymore. So has that been received? Just want to get clarity on that.
- Swaroop Muvvala:** Okay. That was one specific deal which we have done two years ago where the receivables were spread across multiple years. We have got for the first two years. The third year we have not yet got, but now the third year is less than 12 months, so that will be moved from long-term receivables to short-term.
- Vinay Menon:** Okay, that helps. I'll come back in the queue. Thanks.
- Moderator:** Thank you. Our next question is from the line of Balaji Subramanian with IIFL. Please go ahead.
- Balaji Subramanian:** Hi, thanks for the opportunity and congrats on a good set of results. So I had two questions. So, one is on, you did allude to an acceleration in revenue growth in FY 2027 from FY 2026. And this is despite what we are hearing in terms of shortages for memory and chips. So, when you call for an accelerated profile, does that kind of factor in any potential delays in supply and any supply chain disruptions? That would be number one. Number two would be how will the sharp depreciation in the rupee influence both your top line and EBITDA?
- Sunil Pillai:** So Balaji, since our 50% of our turnover comes from cyber security and it is a necessity more for the customers. From that aspect, we continue to foresee that we will be able to continue to supply the customers on a timely basis. While on the DCI space, maybe potentially there could be a slowdown from the component availability and all. But right now what we see is that we are all the OEMs and as well as the market and the customers, everybody has got tuned to this kind of delay that is happening.
- So everybody is planning well now. I think there is a lot of agility that has come into that. And by virtue of that, I don't foresee personally any gaps there. But in an event if tomorrow something catastrophically go wrong, that is not in our control. But nevertheless, right now as I speak to you, we don't foresee any kind of a issue. That is what is luring us to say that our outlook for financial year 2027 would be slightly better than FY 2026. That is one.
- Second, as far as the INR to dollar forex that you are talking about, we hedge our dollar to rupee thing. And that is an ongoing thing from the last 18 years we have been doing it as a practice and as a high discipline that we bring in over there. And that has been taken care of to the best of our efforts.

And even if there is any aberration, our quotes that goes to the market is not a long lead quote, it is for one week or for two days or three days. So, we are taking care by sending those quotes so that time that period that is mentioned on the quote for those many days. So we are controlling the potential forex changes that happens, we are controlling it, mitigating it by these methods.

Balaji Subramanian: Got it. Just a quick follow-up. So the acceleration in FY27 in terms of revenue growth is not just somewhat, you know, FX related but also on an underlying basis. That would be a fair statement to make, right?

Sunil Pillai: I think that sounds very positive and we are also keeping those positive outlook for this year.

Balaji Subramanian: Okay, got it. Thanks and all the best.

Moderator: Thank you. Our next question is from the line of Avnish Tiwari with Vaikarya. Please go ahead.

Avnish Tiwari: Hi. If I look at your gross profit number in rupees crore, it has grown by about 10% year-over-year in Q4 and about 9% for the full year fiscal 2026. So can you articulate the drivers behind this number, how much of it is coming via volumes and how much of it is coming via pricing? And how is the construct we can look at in fiscal 2027 for this, like in terms of drivers, how are they shaping? So that would be really helpful.

Swaroop Muvvala: Thanks Avnish for this. Right. Our gross margins as you mentioned have grown 10% year-on-year and 9% for the full year basis. For us, if you see our deals, the way in which we operate and all that stuff, as Sunil has mentioned, our one of uniqueness which we bring onto the table is the multi-OEM solutioning. So we just don't trade in products, but we sell a solution. When we sell a solution to them, it is something where we negotiate the prices on both sides every time.

We negotiate the prices with our customers and we negotiate the prices with our vendors every time. So the prices and the margins here are not determined by sheer what you call it as prices increase or volumes. The gross margin has been is negotiated and agreed every time on a deal-to-deal basis. Trust, I have answered your question.

Avnish Tiwari: Can you give an example of a deal, what role do you play, like why can't the enterprises or clients directly buy from OEMs or software cloud providers? Just maybe if you can take an example where you play a pivotal role to structure these transactions.

Swaroop Muvvala: Let me give a very fundamental example. If you see our entire OEM portfolio, we have signed up with 115 OEMs with more than 50 OEMs coming from cyber security. And if an enterprise is looking for cyber security solutions, they will not take products only from a single OEM. They'll have to take best-in-class products of multiple OEMs to meet their entire cyber security needs of their organization.

Now, when you are talking or working on multiple OEMs, you have to understand and identify which combination of OEMs is right for you to get the right solution, to your cyber security requirements. We understand the underlying IT architecture of the company, we understand the way in which their entire networks, people, and all the things operate.

We showcase the products to them and we provide a solution to them. And then we enable them to see how the solution works in our COE, so that they can get some sort of a touch and feel of how the cyber security solutions which we are giving, the products which we are giving, keeps their entire environment secure. And basis that, once they like it, they place an order on the system integrator and the system integrator in turn places an order on us. And we procure it from multiple OEMs and then sell it. Along with this sale, we also support them along with the pre-sales services which we spoke about solutioning and all that stuff, post-sale and implementation services also we do for them, and we also support them in that activity.

This is not a sheer, what you call it as a sale of a product per se. If you are looking at specific instances where we have worked and all that stuff, you can refer our presentation, we have given certain case studies of what we have done in certain large deals of ours.

Avnish Tiwari: Great. And your ideal client, a mid-corporate or SME, or is it your ideal client is your large corporate, let's say like Reliance or some other large corporate, or is it more corporates which are like few thousand crore turnovers where IT departments are not so big? Can you just give a sense of who are your ideal clients in India?

Swaroop Muvvala: End customers who use our products are typically at the high end of the pyramid. They will be large enterprise customers, plus high end of the mid-market.

Avnish Tiwari: Got it. Last question from me. What kind of risks do you underwrite in this? Like what if any other competitor of yours, where you will do better than them in terms of risk underwriting, it could be receivables or it could be any other part of business operation or activity which is a harder one to do by anybody else? So, can you give us understanding what kind of risk you underwrite better here?

Swaroop Muvvala: So, let me classify the risks into two aspects. One is the business risks and the one is the financial risk. When I'm talking of financial risks, we take the risk of all the financial aspects like receivables, that means we'll have to pay to the OEM whether we collect it or not. The currency risk, we'll have to pay to the OEM irrespective of what the dollar is because our OEMs are outside of India, and we pay them in dollars. We take the risk of inventory, which means that, while all the orders are customized for a specific end customer, for any reason, after we placing an order on OEM, the end customer or the partner system integrator cancels an order or asks for certain modifications, it is our risk which we take it on ourselves. And we also see the risk around all the other aspects in terms of contracts and other aspects.

Now coming onto the business risks of it, while we do not as give or sign up any SLAs or anything, these are generally done by the system integrators per se. Once the entire solution is agreed between all the parties, our job is to do delivery and successful post-sale implementation. Other than that, we don't carry any additional risks per se.

Avnish Tiwari: Great. Thank you and wish you very well.

Moderator: Our next question is from the line of Stavan Thakkar with Kriis PMS. Please go ahead.

- Stavan Thakkar:** Hi, can you expand on that order book of INR 300 crore, and what's the timeline of execution, and what segment is that of?
- Sunil Pillai:** Hey, Stavan, good evening. You're saying the INR 300 crores of the GCP?
- Stavan Thakkar:** Yes, I think that's what you mentioned on the opening notes.
- Sunil Pillai:** Yes. So that INR 300 crore last year, so we have a booking of INR 300 crores worth of GCP business. And it is based on the workloads that the customer uses it. So, every year there will be a workload that keeps moving to the cloud and based on that, there will be a metering. And based on that the billing is raised by GCP, and it is notified to the customer, and then we raise the bill on them subsequently. But the commitment of the customer is about INR 300 crore. While they commit INR 300 crore, it could likely go up based on the workloads that they take it to the cloud.
- Stavan Thakkar:** Okay. And do we have further commitments from other OEMs like this for other customers?
- Sunil Pillai:** This is a modeling of the cloud business. So, Google is the one that has got this kind of a model. Rest all are slightly in a capex model that we carry, and it is sold, and then once it is only annuity business, that is the subscription or renewal business that we call it. That is about close to 40% to 45% of our turnover, the renewal business, the annuity business.
- Stavan Thakkar:** Okay. Got it. And can you help me understand, how does your gross margin have sort of a better distribution economics over like a Redington or some other companies like that?
- Sunil Pillai:** Oh, that is one of the differentiators, and that is coming because of the engagement that we have, the go-to-market strategy that we have, the modeling of business, how we have been conducting it for the last 18 years, where we have BFSI, government, defense, and enterprise vertical practices. We engage with end customers, we take the solutioning route, we don't take the just the product route. We are not an off-the-shelf kind of a product company. We curate those solutions, we showcase that to our COE, and as Swaroop mentioned, customer gets the touch and feel of the solution that we are able to showcase to the customer the impact of this solution, and how it is going to be coexist with their network.
- So, these kind of activities and solution architecting, network architecting, these kinds of things that we do for our OEMs, and we develop with our system integrators, that helps us to garner that extra point, and hence we have been able to maintain the kind of margins that we are showing.
- Stavan Thakkar:** Okay. And do you see them being stable over the next few years or do you see them rising as well with your added value or whatever?
- Sunil Pillai:** Stavan, honestly, fortunately, we have been able to sustain those levels of margins over a period of years that we have been doing. And obviously with a great hope we wish that it can go up also.
- Stavan Thakkar:** Okay, great. Thank you so much, sir.

- Moderator:** Thank you. Our next question is from the line of Hemant Kothari with Aurigin Capital. Please go ahead.
- Hemant Kothari:** Thank you, sir, for the opportunity. Sir, I have just question on a gross margin as you have said that the gross margin is negotiated on deal-to-deal basis. So, if I look at Y-o-Y FY26, your gross margin declined by around 90 bps. So, what was the reason for this? Is there any pressure from the OEM or from the customer side?
- Sunil Pillai:** Hemantji, if you see on a quarter-on-quarter basis, we did have a hiccup in the Q1 of FY2026. Our margins have slightly eroded, and that is the overall impact that you see on an annuity basis. We had to take some bold calls in the Q1 because all those deals that was pitched and structured in the JFM quarter of 2025, that is Q4 of 2025, which had a spillover into Q1 of FY2026. We had to support the system integrator as well as the customer because of the dollar forex change, and also on the change of cost in the components and all. It didn't largely impact, but then Q1 was a slightly a hiccup for us.
- Swaroop Muvvala:** Just on numbers to what Mr. Sunil said right now, in Q1 we have done a gross margin of around 6.8% on gross sales, while our overall average was around 9.1%. That was the main reason why there is a dip in the gross margin by 90 bps over last year.
- Hemant Kothari:** Okay, thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Vibhav Khandelwal with Laburnum Capital. Please go ahead.
- Vibhav Khandelwal:** Yes, hi, thank you for the opportunity. Now the question that I had was in terms of the order book of INR 5,800 crore you mentioned. So am I understanding it right when you said that, you know, 30% to 35% is the conversion ratio? So, would that mean like roughly INR 1,900 crore is billed over three years or that implies a book-to-bill ratio 1 is to 3? Like how should I think about that INR 5,800 crore number and the conversion of that into revenue?
- Sunil Pillai:** Yes. So, Vaibhav, let me explain you that INR 5,800 crore is not the order book, it is qualified leads or opportunities that we have in our CRM. Okay? So this would be over a period of three years, five years and all. That is what is INR 5,800 crore has been captured. If you double click on that, you'll notice that some deals would be for three years, five years. We will not know now when it comes to closure is what we get to know the customer is going for upfront five years or three years or two years. But the overall qualified opportunities are about INR 5,800 crore. And of that, we traditionally estimate about 30% to 35%.
- Vibhav Khandelwal:** So we look at the opportunity or order book?
- Sunil Pillai:** Yes, these are opportunities, not order book.
- Vibhav Khandelwal:** Understood, that's helpful. And one more question, I think you mentioned in the previous question regarding gross margin that you took a call to, you know, in the Q1 of FY26 to take upon a deal that was slightly lower gross margin as you would typically do. Generally, what are

the factors you want to, should we look at when you're doing a deal, you know, what are the factors? Is it more ROCE dependent that you would be okay taking a slightly lower margin if the working capital days are, you know, such? Or how do you think? How should we think about that?

Sunil Pillai: Vibhav, see, the Q1 dip as I mentioned to you, there was a delay of material coming in. By the time when it came into the Q1 from Q4 of last to last year, when it came into the Q1 of FY26, obviously the forex and all had changed. So we had to take those burden, so we carried that burden while we didn't make any loss, but then obviously there was a slight dip as Swaroop mentioned.

But then as we have learned that in Q1, if you see in Q2, Q3, and Q4, the rest of the quarters, we have been able to plan them, we have been able to get those consignments in time, clear it within the given so that it doesn't erode or it doesn't bite into our margins. That's how we have been protecting it and I think we would continue that because we had a good learning from our Q1 and which we are taking care of this through discipline of managing these other factors that could potentially affect our deal.

Vibhav Khandelwal: All right, okay. Any outlook or guidance you'd like to offer for FY27?

Sunil Pillai: Yes, so we would rather maintain and sustain our growth trajectory that we have mentioned to the market. We will continue to sustain and maintain that, Vibhav. Like typically 18% to 20% on the top line and about 20% to 22% on PAT.

Vibhav Khandelwal: All right, thank you so much team. All the best. Thank you.

Sunil Pillai: Thank you Vibhav. Thank you very much.

Moderator: Thank you. Our next question is from the line of Avnish Tiwari with Vaikarya. Please go ahead.

Avnish Tiwari: Hi. As you build out your business, are there some global peers or listed companies which we can look at or you also look at which you can try to do better or replicate some of their good strategies?

Sunil Pillai: Avnish, good evening. These kind of questions have been coming to us on and off. I think for some reason we consider still very unique and a great differentiator in the market in which we conduct our business and the go-to-market strategy that we have. However, because we've been asked this question during our roadshows and all those things, we have potentially found two entities. I'm sure Swaroop would be happy to share that details with you right now.

Swaroop Muvvala: Avnish, just to add right, if we see from a business perspective, the peers globally who offer a similar sort of value additions to the customers, we see players like Exclusive Networks and Infinigate. Exclusive Networks was a listed peer when we filed our DRHP but by the time we went IPO they went private. So we don't have a comparison there. Infinigate which is again a large player which operates in the European and the Middle East markets is also a good competitor for us.

Other than that, if you see the way large companies like TD SYNEX and Arrow operate, there are two ways of comparing it. Do they actually offer the same sort of value additions what they offer in the European markets and the matured markets like US in India? The answer is no. In India, they operate in a slightly different business model. These companies like Arrow and TD SYNEX offer somewhat more value additions than they offer in India. And while they are not completely comparable to us, we can say that lack of any other comparison, if you have to see them, we can see them.

Avnish Tiwari: And why do they offer a lower value addition in India compared to US?

Swaroop Muvvala: It's a business model. For example, if they do Arrow or TD SYNEX, if they do \$100 billion of business, their proportion in India is very less.

Avnish Tiwari: And in terms of activity or value addition component, what they don't offer in India, which they offer in US?

Swaroop Muvvala: The entire value addition which you're talking of pre-sales, you're talking about the COE, or we are talking about multiple end customer focus and all that stuff. I'm not sure if they're offering everything in the US. But what I can definitely tell is they're offering more value additions in the US and the matured markets than in India. They will point out exactly on what is there and what is not there. Probably they'll know it best.

Avnish Tiwari: In terms of the competition you face in your, let's say, the most important clients, who are the guys who come across as a competitor, whether you win or sometimes you lose to them?

Swaroop Muvvala: So you have to understand how the business operates. We work with system integrators and system integrators in turn work with the end customers. If there is a significant amount of value addition which we are adding into that business, we have a higher leverage and we are having higher chances of success in that team. If in a specific opportunity, if there is no significant value addition done, that means the entire work of solutioning, the entire work of negotiating, drawing a BOQ, developing a BOM, everything is done by the system integrator himself and is looking at just supply of goods or delivery of goods, then I am at a level playing field with any other typical distributor.

But in scenarios where I add more value additions, yes, there will be a competition, but because of the value additions which I bring onto the table, I become that much more indispensable. Every OEM in India who sells their products, any large one will have distributors, three to four distributors. So, we will not be getting the entire 100% wallet share. We will be with the top 15, 20 OEMs with whom we work, we can confidently say that we'll have the largest wallet share with them amongst all the other so-called as typical distributors.

Avnish Tiwari: You said physical distributor, right?

Swaroop Muvvala: No, I said the normal typical distributor.

- Avnish Tiwari:** Typical distributor, okay, got it. And so basically what you were saying is that whenever there is a level of value addition, your leverage is very high and your win rate also is significantly higher. And wherever this portion is lower, then it becomes slightly even playing field and there also you get a reasonable, your fair share of market because you have this large OEMs partnerships?
- Swaroop Muvvala:** Yes.
- Avnish Tiwari:** Okay. And maybe any other player in India which you regard as your competitor or any name you can take?
- Swaroop Muvvala:** None in the listed space. I leave it there.
- Avnish Tiwari:** None in the listed space, it is okay. Any private guys also fine, just to understand the landscape.
- Swaroop Muvvala:** As I said right, the entire business model of each organization is different. In certain private players, they might have something unique which we will not have. We will have something unique which they will not have. So, it would not be a very straightforward comparisons.
- Avnish Tiwari:** Okay. Great. So basically you are saying that largely speaking, I just saw the case study on your presentation, it's a public sector account, which is a large bank, I'm assuming public sector bank. Is there a private sector when you look at clientele you have, there also is it more larger companies or it's more medium-sized companies? Because larger companies may have their own people to do this like system integration work where they can try to squeeze more cost, or your role actually is still very large in the larger companies in the private side?
- Sunil Pillai:** It all depends on the definition of a large account. You know, as Swaroop mentioned earlier, we work from mid-enterprise and above. So we are actually tapered to the top of the pyramid from mid-enterprise and above.
- Avnish Tiwari:** And how do you define mid-enterprise?
- Sunil Pillai:** Mid-enterprise would be like in based on number of users or based on the budget of the customer. So, if I have to give you a draw a parallel, maybe a mid-enterprise would be 5,000 users, kind of.
- Avnish Tiwari:** Got it. Okay. That's very helpful. Thank you very much.
- Sunil Pillai:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Vinay Menon with Monarch Capital. Please go ahead.
- Vinay Menon:** Hi sir, thank you for the follow-up. Couple of things from my side. One is you know we saw good margin improvement this quarter and, Swaroop sir mentioned that operating leverage will kick in going ahead. So, what kind of margins at the gross EBITDA level can we look at in the next two years?

- Sunil Pillai:** Vinay as Swaroop and I mentioned, we will maintain and sustain the outlook that we have given to the market and in terms of EBITDA, PAT as well as the growth. So we will for sure sustain and maintain it.
- Vinay Menon:** Okay. Thank you. And in terms of, you know, we're hearing a lot of opportunities open up in Middle East because of all these kinds of war-related situations and cyber security and AI as a theme are really doing well. So, any plans of entering that region and how would we go about it? Just to understand.
- Sunil Pillai:** Vinay, we do witness what you are saying exactly. We see a kind of a traction there. We are actually observing them. But because of the current situation, we are have just hibernated ourselves right now for the moment. Once the situation improves and I'm sure that we are not going to shy away from exploring those markets.
- Vinay Menon:** Okay. And one last thing is on the gross debt level, we've generally mentioned, like maintained INR 40 crore to INR 50 crore kind of gross debt which is there for FY'26 as well. Going ahead in terms of growth are we looking to take a bit more debt or we are planning to kind of reduce this?
- Swaroop Muvvala:** Our gross debt which is there is also cyclical in nature. Whenever there is a large deal and when suddenly that large deal's vendor payments become due, our debts move. So generally, there are spikes and troughs. Q1 is a quarter where we have higher debts because Q4 is a time when we do larger deals and those vendor payments and obligations come in Q1, so we'll have higher debts in Q1. But overall if you see for the full year basis, we will be around that INR 40 crore to INR 60 crore benchmark only.
- Vinay Menon:** Okay, thanks. Thank you and all the best. Thank you.
- Moderator:** Thank you. Our next question is from the line of Maitri with Sapphire Capital. Please go ahead.
- Maitri:** Yes, just lastly again on the gross margins, I'm sorry to ask the same question. But in the Q4, we had quite a significant increase and you mentioned that this was because of the negotiations on both the sides and the vendors and the customers. So, going forward, the deals that we probably acquire, do you expect these gross margins to stay stable at this net say level of 30%, 34% or maybe in the range of also coming down back in the range of like the 2Q and 3Q gross margins level of 20%, 25%?
- Swaroop Muvvala:** First, we will talk of our gross margins on gross sales rather than net sales. And net sales number, it's not a right representation of our gross margins in a full sense. So let us talk of gross margins on a gross basis. Yes, our Q4 gross margins have been around 12.5% on gross sales, whereas our H1 average is around 8% for us. Historically, our Q4 margins are much higher than any other quarters because we have in certain OEMs, we have certain things called as a back-end rebates or volume rebates which we get on achieving certain numbers and all that stuff. So that comes predominantly for us in the Q4.

In addition to that, what happens is Q4 is the time when the budgets of most of our customers are closed. That is the time when we will have the pressures from the OEMs also, some of the OEMs are Indian OEMs and all that stuff, they also would like to close their year strong. So, we would be able to better negotiate with them, get better as gross margins on them. So overall our business is a bit cyclical in nature with H2 being stronger than H1 and margins also will be stronger for us in H2 than H1. Having said all that stuff, we would like to have our margins or we believe that our margins will be around 10% is what we look in the in the short-term future.

- Maitri:** Thank you very much, sir. Thank you and all the best.
- Moderator:** Thank you. Our next question is from the line of Miloni Mehta with Monarch Capital. Please go ahead.
- Miloni Mehta:** Thank you for the opportunity and congratulations. So, I just wanted to understand what kind of visibility are we seeing in this large enterprise deals?
- Sunil Pillai:** Hi, good evening. In terms of if you're asking the sectors that we operate, we see the BFSI vertical again enhancing their requirement. We see a lot of growth coming from there, spike coming from there. We also see the cyber security will continue to dominate our business, followed by DCI and then the cloud business. Sequentially, this is how it's going to be and they will be dominating our growth in financial year 2027.
- Miloni Mehta:** Okay. And what would be the quantum of these large deals there?
- Sunil Pillai:** I don't know what would be the definition of large deals, but then yes, if you're referring to some marquee deal, yes, last year we did have about close to seven to eight marquee deals. And we estimate that this year looking at the way the market is going, we see that we'll have similar set of deals this year also.
- Miloni Mehta:** No, I mean the average deal size for these marquee deals?
- Sunil Pillai:** Average deal size would vary from account to account. But then yes, I wouldn't like to be caught with a ballpark figure that I would give here. But then yes, it would be a sizeable deal and as and when it would come up and definitely, we'll be happy to share that with you.
- Miloni Mehta:** Okay, thank you. Rest of my questions are already answered. Thank you.
- Sunil Pillai:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Rahul Kumar with Vaikarya Fund. Please go ahead.
- Rahul Kumar:** Yes, hi. Just one question actually. If you look at our FY26 PAT over FY25, I think there is a 10%, 12% kind of a growth, which is sort of the lower versus what we have historically achieved or your guidance of, you know, 20%, 22% kind of a growth. So, what were the factors which actually led to lower growth in the PAT and where do we stand on those factors at this point of time?

- Swaroop Muvvala:** Rahul, I would like to correct your numbers here. Our reported PAT for the year FY25 was around INR 85.3 crore. The PAT for this year is around INR 102.3 crore before the exceptional item. On like-to-like basis if you compare it, our profits have gone up by 20%, not the 10%.
- Rahul Kumar:** Okay.
- Swaroop Muvvala:** Okay. Even if I take the exceptional item, which is the INR 5.2 crore because of the new labor code which I've spoken during my opening remarks, it is still has grown up by 15.5% even after significant impact which we had because of the new labor code. So overall our profits have grown at 20% on a like-to-like basis.
- Rahul Kumar:** Understood, perfect. Second question, I think if you can just give us split of, you know, our gross sales between BFSI, government, defense, and enterprise, that would be great?
- Swaroop Muvvala:** BFSI is our one of the largest segments. BFSI constitutes around 40% of our total business. Government is around sub-20%. The next two large verticals for us are ITES and Telcom. These two put together will be another 20% and rest all other verticals which are healthcare, automobile, pharma, everything will put together will be another 20%.
- Rahul Kumar:** Okay. Got it. Thanks.
- Moderator:** Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Sunil Pillai:** Yes, good evening to all of you. It's been nice interacting with all of you today. I would like to thank each one of you for participating and also thank all of you for your continued support. Over to you, Swaroop.
- Swaroop Muvvala:** Thank you, guys. We had a good year and we are confident that the coming year also will be good. Thanks for all your support and time.
- Moderator:** Thank you. On behalf of iValue Infosolutions Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines. Thank you very much.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.