Austere Systems Limited

(Formerly known as Austere Systems Private Limited)

Date: 20th November 2026

To,
BSE Limited,
SME Platform
Department of Corporate Affairs
20th Floor, P. J. Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 544505

Sub.: Transcript of Earnings Conference Call for Unaudited Financial Results of the Company for the half year ended September 30, 2026

Ref.: Regulation 30(6) read with Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the transcript of the Analyst/Investors Call on the Unaudited Financial Results of the Company for the half year ended September 30, 2026, held on November 17, 2026 at 2:00 P.M (IST).

The same is also being made available on the Company's website at: https://austeresystems.com/

You are requested to kindly take the above information on record.

Thanking you,
Yours faithfully,

For Austere Systems Limited
(Formerly known as 'Austere Systems Private Limited')

SNEHA GOENKA
Digitally signed by SNEHA GOENKA
Date: 2026.11.20 18:45:26 +05'30'

Sneha Goenka
Company Secretary & Compliance Officer
M. No. A48476

"Austere Systems Limited
H1 FY27 Results Conference Call"
November 17, 2026

MANAGEMENT: **MR. SHIKHIR GUPTA – CHAIRMAN & MANAGING DIRECTOR – AUSTERE SYSTEMS LIMITED**
MR. RAHUL TENI – DIRECTOR – AUSTERE SYSTEMS LIMITED
MR. PIYUSH GUPTA – DIRECTOR & CHIEF FINANCIAL OFFICER – AUSTERE SYSTEMS LIMITED
MS. SNEHA GOENKA – COMPANY SECRETARY AND COMPLIANCE OFFICER – AUSTERE SYSTEMS LIMITED
MR. SAMARTH GARG – FINANCE STRATEGIST – AUSTERE SYSTEMS LIMITED

MODERATOR: **MR. GAUTAM NAGAR – EQUIBRIDGEX ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the H1 FY27 Results Conference Call of Austere Systems Limited hosted by EquiBridgeX Advisors Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for 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. Gautam Nagar. Thank you, and over to you, sir.

Gautam Nagar: Thank you. A very good afternoon to everyone. Welcome to the H1 FY27 Earnings Call of Austere Systems Limited. From the management team, we have with us Mr. Shikhir Gupta, Managing Director, and Mr. Rahul Teni, Director. And also Mr. Piyush Gupta, Director and Chief Financial Officer, Ms. Sneha Goenka, Company Secretary and Compliance Officer, and Samarth Garg, Finance Strategist. We will have opening remarks from the management team, post which we will open the floor for the Q&A.

With that, I would like to hand over the call to Mr. Shikhir sir for opening remarks. Over to you, sir. Thank you.

Shikhir Gupta: So good afternoon everyone and thank you for joining us for Austere Systems Limited H1 FY27 Earnings Conference Call. This is our first meeting, regarding this earnings call as a listed company. I am Shikhir Gupta, Chairman and Managing Director of Austere Systems Limited.

On behalf of the entire Austere team, I welcome all our investors, analysts, and stakeholders. As many of you are interacting with us for the first time, I will begin with a brief introduction of the company before taking you through our performance for the half year.

Austere Systems was incorporated in 2015 and operates in the information technology services and consulting industry as an integrated IT services, SaaS, and digital transformation provider. Our capabilities span e-governance, enterprise application software and mobile development, artificial intelligence, data analytics, cloud computing, ERP, and workflow automation, along with implementation services on platforms such as SAP, ServiceNow, Oracle, Microsoft 365.

Over more than 10 years, we have delivered over 200 projects for more than 150 clients across 8 plus countries, supported by a team of over 250 professionals working from our offices in Pune, Gurugram, Panchkula, and Hyderabad.

Our processes are ISO certified, and post-listing, we had been appraised at CMMI Level 3 also. A strong focus on our business in the public sector transformation, and we have worked with the governments of Haryana, Punjab, Uttar Pradesh, Himachal Pradesh, Maharashtra, and are empaneled with the bodies such as MyGov, TCIL, Hartron.

Alongside our services, we have built a portfolio of in-house platforms including Dial 11-UrbanSphere for urban governance, RuralSphere for Rural & Panchayat governance. We, as due to the, nowadays everyone is influencing through social media, so we have just created a tool called D2P2 for the social media analytics and an ERP for the schools and colleges with the

name Education Doctor. In FY26, revenue for operations grew INR19.7 crores to INR22.29 crores and net profit stood at INR5.04 crores.

Let me now take you through our financial performance for the half year. Revenue from operations for H1 FY27 stood at INR11.29 crores compared with INR10.34 crores in the corresponding period last year and a growth of 9.12%.

Total income grew 13% to INR11.97 crores compared with INR10.59 crores in H1 FY26. EBITDA for the period stood at INR2.99 crores with an EBITDA margin of 25.01%. Net profit stood at INR1.77 crores with a net profit margin of 14.75%.

I would like to speak about the key developments during the period. On the order front, we received work orders worth INR1.87 crores from HDFC Bank for MIS projects along with 2 new work orders from HARTRON, Haryana. We are also empaneled with Indian Port Rail and Ropeway Corporation Limited for consultancy in digitalization, AI, ML, Security Systems, CCTV, Digital Harbor, and also with HKCL, which is Haryana Knowledge Corporation Limited, as a software development organization.]

On the delivery side, we successfully completed a ServiceNow project for Genpact, strengthening our capabilities in enterprise workflow automation and IT service management. To broaden our growth platform, we incorporated Austere Next Private Limited with a holding of 51% for IT services, set up a wholly owned subsidiary, Austere Systems LLC, in Delaware, USA, for IT consulting, and become a partner in Neural Nexis AI LLP to build AI-led services.

Urban digital governance continues to be a key strategic focus. Our Dial 11-UrbanSphere platform is being used by several municipal corporations to streamline citizen grievance redressal, field operations, revenue collection, and real-time monitoring of the performance of employees. Its modular design allows municipalities to adopt modules progressively, and we see growing demand for integrated, paperless, and data-driven governance platform.

Looking ahead, our priorities are clear. First, expanding Dial 11-UrbanSphere with more modules like GIS and AI capabilities in more corporations. Second, scaling our AI-led solutions, advanced analytics dashboards, cloud SaaS offering, and reusable technology frameworks that shorten the implementation cycle.

Third, strengthening our position as a trusted technology partner to the government departments, municipal corporations, and urban local bodies while expanding our presence among PSU, private sector customers in India and overseas. And finally, maintaining operational efficiency and financial discipline as we build the business.

Before I conclude, I would like to thank our employees for their dedication, our clientele and partners for their continued support, and our shareholders for their trust in Austere. Thank you once again for joining us today.

With that, we can now open the floor for questions-and-answers.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Rishabh Jain from Mehta & Co Associates. Please go ahead.

Rishabh Jain: Thank you so much for this opportunity. Hello, sir. Hi. Good afternoon.

Management: Good afternoon.

Rishabh Jain: Actually, I have a bunch of questions. I just want to know that, first of all, congratulations for your results. Actually, the revenue has grown around 9%, more than 9%. But our company's net property is decreasing. May I know the main reason behind this, why is this decreasing?

Management: Hello, am I audible?

Rishabh Jain: Yes, you are audible.

Management: Hi Rishabh, thank you for the question. This is Samarth here. I'll take up this question. So you rightly said the net profit margin is decreasing. I'd like to highlight two points here, the main reason for it. One is, obviously, we have prudently taken a provisional amount of INR44 lakhs against an open-end legal point which was included in the disclosures in the note as well, which has reduced the net profit for the company. As well as...

Rishabh Jain: Sorry for the interruption, can you just be a little bit loud? We have issue in hearing.

Management: Okay, apologies. Is it better now?

Rishabh Jain: Yes, it is better now.

Management: All right. So, what I was saying is, there has been a -- so we have taken a provision against a pending case of around INR44 lakhs. This is purely on a prudent basis that we have taken this half-yearly, which has impacted the net profit margin and the EBITDA as well. Over and above, there was a higher depreciation because assets were added late in the previous year, which carry a full 6-month charge this half-yearly.

But having said that, the management continues to focus on productivity, the utilization, and the cost discipline, which is why if you look at the EBITDA margin, which comes pretty much similar from the last cycle as well.

Rishabh Jain: Actually, you mentioned that you are investing in AI as a new product and majorly focused on US business. So, did that impact your revenue growth or anything?

Management: No. So, those are the new initiatives which the company is focusing on, but we are still focusing on the previous business and we are trying to grow it further, the initial business, right? So we are continuing to focus on expanding the existing client relationships we have and converting new business opportunities. What the management, the MD mentioned right now were the new initiatives which we are taking. I believe you are mentioning about those, right?

Rishabh Jain: Yes, exactly. So actually I understood, and for the expansion plan, is the company planning for anything like a fundraising or something in the future? Or mainly is it focused on bank loans or...?

Management: No, no. So, yes. So, we already have the IPO proceeds with us. And as you can see, we are a cash-rich and debt-free company. So we are focusing on utilizing those funds, rather than raising any funds -- further funds.

Rishabh Jain: So, right now, how much funds are already utilized?

Management: The same has been disclosed, the details have been disclosed with SEBI. I believe you can definitely refer to those.

Rishabh Jain: Okay, understood. I have some curiosity about the government regarding your customers. So I just want to know how this payment cycle works. Like, you take orders from the tenders from the government and you do business with them, and how this payment cycle…

Management: Sure. I will let management answer the same.

Management: Okay, so as you asked about the payment cycle, generally, the payment cycle in the government sector works on the milestones. This is a good case scenario and we are delivering on the milestone basis, but sometimes there might be the shift and lift in the government, or in the officer, or the bureaucracy. So it might cause certain delays.

But generally, the projects which we are bidding, we are bidding on the project where the deliveries are aligned with the milestones and we are getting the payments on time, as per the defined milestone. So we are not getting the things delayed from our end. But something which is beyond our challenge is like the administrative delays, the reason behind the lift and shift of the government or the bureaucracy in the department, in the transfers.

Rishabh Jain: Okay. So regarding the, if you focus more on government department or private sector? Like if you are saying a payment cycle, the private sector gives more returns and margins in terms of the government?

Management: So we are focusing, we are working with government sector as well and corporate sector as well. It's not that the company is specific to government sector only. So we have a lot of clients from MNCs, so we are panelled with a lot of MNCs as well, if you talk about Big 4s and everything.

Rishabh Jain: So is there any difference at all regarding the payment cycle?

Management: Payment cycle, so we cannot disclose here because it is client-specific, payment cycles, like something which is between management to management or management to government.

Rishabh Jain: Okay. So right now, how many tenders we are already getting right now? Any, we have in our pipeline.

Management: How many?

Rishabh Jain: Right now, how much pipeline we had now in terms of government?

Management: So, Rishabh, what we actually announced, the significant orders when received, as we have already done in our press release with the HDFC Bank and HARTRON orders, right? We do not currently publish or disclose the consolidated order book, if you are referring to that. For internal purposes, we definitely track the confirmed work orders and those are disclosed or announced to all the investors together through a press release.

Rishabh Jain: Okay sir. Also, you mentioned HKCL and Knowledge Corporation, Indian Port, Rail and Ropeway Corporation Limited.

Management: Right, those are the empanelments that have been mentioned in the press release itself.

Rishabh Jain: Okay. Right now, how much order book right now we have in terms of amount?

Management: Right, so as I mentioned, we actually do not announce the consolidated order book or publish it anywhere at this point in time. Any decision to provide the guidance would be a board decision and it will be announced to all the investors together.

Rishabh Jain: Okay. For this last portion, I just want to know that my major focus is not next two years to three years. What are the major focuses like?

Management: Are you referring to the focus areas for the company per se?

Rishabh Jain: Expansion and priority-wise, if you are talking about?

Management: Right. I will let the management answer that.

Management: So, as we mentioned that we had already delivered one solution for the urban body. So we are now focusing the sales team to start pitching the same solution, which is the revenue solution, in the different corporations.

Because there are around 660 corporations in India, and the solution which we delivered in one of the corporations among them, which is among the top 10 corporations in India, and there is a digital twin which we delivered, and it is now being starting slowly and gradually by the different states and the different corporations. So which showcases there is a quantum opportunity for our organization to deliver the similar solution in the multiple corporations because now the solution is ready to deploy.

This is in particular in the government sector and in the corporate sector we have, as I announced, that we had incorporated Austere Next, which are specifically delivering the enterprise solutions in terms of ServiceNow, SAP, Oracle with the AI practice. So we are in the middle of setting up the AI lab in our Gurugram premises and definitely then we will start getting the results as a part of growth.

Rishabh Jain: You mentioned defense in this statement line.

Management: Come again?

Rishabh Jain: Actually, today is giving the answer. I just need…

Management: Sorry, we are not able to understand you.

Moderator: Mr. Jain, could you please speak a bit loudly, please?

Rishabh Jain: So you mentioned like your future expansion plans and your priority, what sectors you majorly focusing on. In that, you mentioned about the defence. So what is one other I heard right now, you and the different corporations you mentioned? Understood, no I just want to know like you are into the defence segment also? I just want to know.

Management: No, no. We are not into defence. We haven't mentioned anywhere that we are into defence.

Rishabh Jain: Oh yes, yes, so that's why I'm asking you, because I misunderstood about the defence part. Yes.

Management: Okay.

Rishabh Jain: Thank you so much. All these questions from my side. I will wait in the queue if I have any questions. Thank you so much, sir.

Management: Thank you.

Moderator: Thank you. The next question is from the line of [Harshil Agarwal [inaudible 0:17:57] from Family Office. Please go ahead.

Harshil Agarwal: Thanks for the opportunity. Good afternoon, everyone. So I have a couple of questions. Sir, are you seeing good interest from new customers? Like, how are you planning to increase your customer base? Am I audible?

Management: Yes, yes. So we have incorporated a sales team and we have created seven pillars of sales in our organization, and they are pitching hard in the overseas market. And in the corporate sector, and similarly for the government sector. As our revenue is generally split 40 to 60 ratio in terms of government and corporate, so we are just pushing hard in both the sectors in delivering the services.

And specifically in the government sector, the solutions which have been tested and been rolled out in some of the states in India, we are just trying to roll out in another couple of states so that it will generate more revenue and less expenditure and the capex and the opex both.

Harshil Agarwal: So, this customer are giving you like, repetitive business?

Management: Yes, yes.

Harshil Agarwal: And can I know the percentage, like, as of revenue base?

Management: So if you talk about repetitive [inaudible 0:19:21], if you talk about the repetitive business, mostly we are retaining 80% to 90% of our old clients in getting the repetitive business from them.

Harshil Agarwal: 80% to 90% from old.

Management: Yes.

Harshil Agarwal: Okay. And from, okay. Understood. And sir are you planning to enter any new market?

Management: Yes, we are like as I mentioned that we are entering into the overseas market. We, we recently opened up our office in Delaware US also. And our sales team has been active there in the US market and the European market.

Harshil Agarwal: So, has it started, or it will start?

Management: No, we started, we are start getting the clients there. The pipeline is pretty strong.

Harshil Agarwal: So, can you explain about the pipeline in detail?

Management: No, that is, like, once we will start getting the orders, we will just report it.

Harshil Agarwal: Okay. And this new technology, AI, becoming more important. So, do you see any opportunity to use them to improve your business?

Management: Yes, hi. Rahul, this side. So, let me just take this question. Shikhir. So, from AI perspective, as we see, this is a buzzword in the market and everybody is talking about AI. And at Austere, we follow a principle where we actually make sure it is actually usable to our customers rather than pushing it to them.

So, as Piyush mentioned, we have a good amount of repetitive customers, and wherever our sales team or pre-sales teams pitch in, rather than just pushing AI for the sake of pushing it, we actually analyze the problem statement.

We figure out how AI can effectively make use for them and then push it. And even for our existing customers, we are already implementing AI for many use cases where computer vision is used from the AI vertical, or it could be basically analysis created with AI, logistics planning created with AI, and there are many use cases.

Image analysis done with AI, even image manipulations we identify with AI. So, for some financial institutes or even for government implementations where we are working, we are just actually doing all these AI initiatives. So, just to answer your question specifically, from AI perspective, we are taking a complete understanding of AI.

We have a team who can work well-versed with AI skills. We are uplifting our resources for AI initiatives, and then according to customer requirement, we are just pushing it to a customer for quicker throughput.

Harshil Agarwal: Understood. So, sir, how this AI improve your profitability? Any analysis on this?

Management: So, from a profitability perspective, AI, with reference to AI, we have a quick turnaround, right? And with those quick turnarounds, we have a quicker closure for days. But now, as we

understand, everybody is actually talking about AI. It also creates a challenge in understanding the finishing line. So, normally what happens with AI implementation, your finishing lines might be changed frequently because with AI analysis, it is at the end of the implementation or whatever you are getting it done with AI, it needs a validation with actual use cases, with actual data.

So, if I have to answer your question specifically, with AI we have a quicker turnaround for deal closure, but from an implementation perspective, it will take time whatever is required. So yes, there is benefit of AI for quick closure, but at the same time we also make sure whatever we are delivering it is not completely AI dependent and it actually gets through our complete process of quality assurance, our validation, like verification and everything.

Harshil Agarwal: Understood, sir. Totally understood. And sir, regarding, competitions, like it's increasing in every industry. So what do you think this gives your company an advantage over other players in the market?

Management: So the main advantage, if I have to say, is basically we are not pushing what we have. Rather than that, what we normally do is understanding a customer problem, figuring it out what they need, and aligning that with the existing technologies or with the existing frameworks which they have available with them. And in case it is not available, how effectively we can implement it.

So that gives always an edge, and that is the reason we are able to retain many of our customers. So Austere is completely a client-centric company, and with that we actually have repetitive business coming across.

Harshil Agarwal: So as I understand, you are maintaining the healthy margins?

Management: Sorry?

Harshil Agarwal: As compared to competition, you are maintaining healthy margins, pricing related to, yes?

Management: So, let me rephrase my, my statement. What I am saying is, for Austere, we are actually always trying for what customer needs rather than pushing what we have, right? But at the same time, we follow the same cycle of implementation, and there are specific range of margins which we always look forward. And we maintain that.

Harshil Agarwal: Got it, sir. And sir, one last question, looking at next 3 to 5 years, where would you like to see the Austere? And what are your main priorities to reach that position?

Management: Shikhir, you want to answer this?

Management: Okay. So in terms of revenue, we want to follow up the pattern which we are following from last couple of years, and we want to run on the same growth and the more growth itself not on the same. And if you talk about the vision, the long-term vision, say for 3 or 5 years, we want that the company should be employee-centric, there should be a stability of the job. And another

thing is, we should have the latest tech stack in our organization and to deliver the best from our side.

Harshil Agarwal: So sir, which area will receive the most investment?

Management: So what we will do, we will just pitch in particularly the health sector and the education sector. These are the 2 sectors which will always be in the need of IT because these sectors is totally dependent on IT and we are in IT services. So we are just developing the services for these 2 sectors very aggressively in the India and the overseas market.

Harshil Agarwal: So sir, any, margin-related steps are you taking to grow your business?

Management: Yes, regarding this margin, because see, whatever we are inventing, we are just handing over to the sales team, to deliver it so that it will definitely increase the margins. And as Rahul mentioned that we are start using the AI very aggressive in the organization. Which basically reduces the delivery time for the repetitive work in every project. We are using the AI platform for that, which definitely -- which automatically increases the margin for the organization.

Harshil Agarwal: Understood, sir. Thanks for all the answers and all the best, sir.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Aviral Sharma from Shah Family Office. Please go ahead.

Aviral Sharma: Oh, hi. Hello, am I audible?

Moderator: Yes, ma'am, please.

Aviral Sharma: Yes. Congratulations for your H1 results and thank you for this opportunity. So I have a few couple of questions. So my first question is, revenue from operating grew by 9.12% in H1 '27. So, which business segments or customer strategies contributed most to its growth?

Management: Yes, Piyush Gupta this side. So see, the customers we cannot disclose on this open forum. Our clients we cannot disclose here.

Aviral Sharma: Like which business segments grew? Where do you see the strongest growth opportunity in H2?

Management: It's basically the urban digital governance.

Aviral Sharma: Okay. So, with an EBITDA margin of approximately 25% in H1, so how do you plan to maintain or improve operating profitability, or as the business scales? Sorry, scales.

Management: So, hi Aviral, thank you for the question. So, as I mentioned earlier as well, we are trying to maintain the EBITDA margin, throughout. And that's the main focus for the -- across the management to continue focusing on the productivity utilization and maintaining the cost discipline that we have within the company.

This time we have taken a provision for a pending appeal that is mentioned in the notes as well, which has affected the EBITDA margin. Otherwise, if you look at it, it is pretty much in line with the previous half-yearlies. But having said that, there is always a scope and we are always looking at improving those further, with all the new emphasis and the priority on the new technologies as well. Our focus is to improve the prior work, and productivity and utilization is one of the main key areas for us to improve on an ongoing basis.

Aviral Sharma: Okay. So, with the growing presence in government projects, what initiatives are you taking to further strengthen payment collections and working capital efficiency?

Management: Sure. So, as mentioned earlier, so the -- our payments are mainly milestone-based. So whenever we have a work delivered, that is when the payment is being executed. Obviously, there are places where we are following up regularly, so which is why we are closely monitoring the all the aging, following up on overdue invoices, and focusing on improving collections as well.

You can notice we have the absolute, even though the absolute receivables balance still remain elevated, but its growth is reducing with compared to the revenue growth if you look at the previous half year, which is why the trade receivables increased by approximately 6% year-on-year, but compared with the revenue growth of 9%. Same thing happened with the annual FY26 as well. So our focus is on following up and splitting the milestones as much as possible to get the cash collection.

Aviral Sharma: Okay. So how much of your expected H2 revenue is supported by existing orders, and what additional opportunities are you pursuing to strengthen the order pipeline?

Management: So actually, do not provide forward-looking revenue guidance at this point in time. Our focus is on reporting our performance and sharing our strategic direction, which our MD has already shared with you. But we continue to work on existing client engagement because we have a great retention of approximately 80%, which we work on and continue to pursue new opportunities as well from them, as well as we have established a sales team. We have invested in the AustereNext as well as an MNC in Delaware. So through these, we are hoping to get a healthy pipeline in place for the next half year.

Aviral Sharma: Okay, so could you please elaborate on the 2 new orders and business opportunities, they could create for the company in coming quarters?

Management: Are you referring to AustereNext in the Austere Systems LLC that has been set up?

Aviral Sharma: Mr. Garg?

Management: Yes, are you referring -- sure, sorry. Are you referring to Austere Next, and Austere Systems LLC being set up?

Aviral Sharma: Sorry, I can't get you.

Management: Sorry, I didn't get what you're referring to when you say—

Aviral Sharma: That. Elaborate the 2 new orders.

Management: Okay, you mean...

Aviral Sharma: The business opportunity they could create for the company in coming quarters?

Management: Are you referring to the HARTRON orders?

Aviral Sharma: Yes.

Management: Okay, fine. I'll let Shikhir take up this.

Management: Okay. So, regarding the 2 new orders which we received from HARTRON, it is the one again for the similar, the rolling out the corporation, the UrbanSphere model in one corporation. We are just rolling it out in another corporation. And there is another department which is the home department, and that is like the integration of the home department because you heard about the -- if you heard about, there is a CCTNS system in all the police stations across India.

So Austere had developed one solution which will give the analytics on the complaints being filed in the police station. So this is the second work order pertaining to the police department which we are rolling it out for the state of one state in India, and then we will replicate in other states. So it brings out the bigger opportunity for the organization to roll out one tested model to all states, all 28 states in India.

Aviral Sharma: Okay, okay, so how is the company positioning itself to capture opportunities across both government and private sector customers, and which segment offers greater growth potential?

Management: So as we already, earlier said also that we have floated a new company, Austere Next Private Limited, in which we are focusing basically only on the enterprise solutions like SAP ServiceNow. So that will be our also major focus, and for that we are focusing on corporate sector majorly with that company and focusing on government sector also. That is the one major focus area for Austere Systems.

Aviral Sharma: Okay, so, my last question is like, you looking forward to financial '27 and beyond? What are the key milestones investors should watch for in terms of revenue growth, order wins, product adaptation, and international expansion?

Management: So as again, we have already like, we have floated a company in US, Delaware. That's the only subsidiary of Austere with which we are expanding our business in overseas market for US, and we are pitching very hard in European market as well.

Aviral Sharma: Okay, okay, sir. Thank you.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Neha Gupta, an Individual Investor. Please go ahead.

Neha Gupta: Congratulations for your results, sir. Sir, my question was, your other income increased from INR24.91 lakhs to INR68.27 lakhs. Could management elaborate on the major components of this income and how much of it can be considered recurring?

Management: Hi, thanks for the question. So, the major portion for the other income increase is the interest, that has been earned on the IPO proceeds that was parked in the short-term deposits. It is not going to be, like the whole portion, it is not going to be a recurring income given we are going to be investing those proceeds, in the growth opportunities.

Neha Gupta: Understood. So the company reported positive operating cash flow of INR3.51 crores in FY26. Does management expect operating cash flow to remain consistently positive as the business scales?

Management: Sure. So if you notice, this time also cash flow from operating activities has been positive in this half-yearly, and this is really, this reflects better cash generation from business operations, and we continue to focus on improving collection efficiency and maintaining discipline over operating expenses as the business grows. Our focus is to have this as a sustainable profitability and collection process from our end.

Neha Gupta: Understood, sir. So I wanted to understand, with the establishment of Austere Systems LLC in the US, what are the company's expansion priorities in North America? Are there any identified client opportunities?

Management: So let me take this question. So from expansion perspective, what we are trying to do is we are trying to form an entity in different regions. And towards that initiative, we have done that in America region, and the purpose of this is very simple. When we are expanding, if we are expanding globally, in case we have a local presence, that always gets preference.

And towards that, we actually start forming these entities over there so that we will get a preference. And as Shikhir mentioned, we are already working upon creating a strong pipeline. With that aspect, we get added advantage or value addition with local presence.

Neha Gupta: Understood, sir. So coming back to the local presence, Austere Next has been incorporated to strengthen the company's presence in South India. What is the business plan for the subsidiary, and when do you expect it to start contributing meaningfully to consolidate revenue?

Management: So just to, put a point, for India, local -- rather than having a local presence, our Austere Next initiative is -- or our main reason or motive forming Austere Next is serving our corporate customers with enterprise solutions. Like SAP implementations, SAP services, Salesforce, ServiceNow, Oracle ERP, all these enterprise services are actually served through our Austere Next. So, expansion in South region is one of the reason, but main motive is, creating an entity which will serve enterprise customers.

Neha Gupta: Understood, sir. Understood. Got it. So, could management share the current confirmed order book and the expected revenue conversion from recently secured orders?

Management: This is question for you, Piyush.

Management: I Can take this. So, as we mentioned, we don't announce the, we don't currently publish a consolidated order book. But we have already announced in the press release about the two orders that we have received and the HDFC order which has been realized, so, which you can see in the press release itself.

Neha Gupta: Got it. So I wanted to understand another thing, that how does Austere intend to differentiate its AI offerings from larger IT service providers that have significantly greater technology development budgets?

Management: So, let me take this question. As we mentioned, there is a key differentiating factor between Austere and our other competitors. So, as we say, we do not strive for implementing AI for the sake of implementation, right?

Rather than that, we always have focused approach wherein we understand customer problem statement, customer use cases, and alignment of those problem statements with their existing, existing framework. What needs to be taken care as a new initiative or new implementation, and from there we take it forward.

While we do that, we also try to get it, implemented or AI initiatives included in that just to make sure we have a quicker turnaround, and that gives us an edge over our competitors. While I say that, I understand there, there will be always a requirement of upskilling our resources for making sure they understand, the current new trends, they, and they develop their own capabilities so that we can actually get it implemented in the right way.

That anyway we are doing, but as We are actually doing it in a focused approach. It gives us an edge rather than doing it an investment or budgeting it, completely. We do it in a focused manner wherever it is required.

Neha Gupta: Understood, sir. Thank you so much, sir. That's it from my side. Once again, congratulations for your results.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Yash from Shaan Patel Asset Management. Please go ahead.

Yash: So, congratulations on the results, first of all. Secondly, I want to understand the revenue bifurcation of H1 FY27 with respect to service in-house products, basically.

Management: Yes, sorry, you're not audible. Can you repeat the question, please?

Yash: Want to understand the revenue bifurcation of H1 FY27 between service and in-house products. Hello?

Management: Are you asking the revenue split? Yes, yes, between the services and the product.

Management: Yes.

Management: Yes. So to answer your question, so whatever product we are, building, so that we deliver to our clients and services mode only as a SaaS model. So to answer your question, 80 to 90% of our revenue comes from services only. So whatever solutions we are giving to clients, it's in the milestone basis only.

So, if we are building any product, XYZ product, it's been developed by the company, so it's been pitched as a service to the ABC client, and which is further bifurcated in different milestones.

Yash: Got it, got it. So, so going forward also, like, the share of product will remain like, like I can see from last 3 years, like, it is testing down from 30% to 10%. So going forward also, like, the revenue bifurcation between the services and like their products will be like…

Management: Austere Systems is a services company.

Yash: Yes, sir.

Management: So, the revenue bifurcation will always be similar like this only. So going forward, if we build any product and we are going to sell it as a product, then we inform to the Stock Exchange. We will publish that in press release.

Yash: Okay, okay, sir. Thank you.

Management: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Gautam Nagar for closing comments. Over to you, sir.

Gautam Nagar: Thank you. On behalf of Austere Systems Limited and EquibridgeX Advisors, I thank everyone for taking time to join today's earnings call. If you have any queries, you can connect us at info@equibridges.com. Once again, thank you for joining the conference. Thank you, sir. Thank you, everyone.

Moderator: Thank you. On behalf of Austere Systems and EquibridgeX Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.