ESDS SOFTWARE SOLUTION LIMITED

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Ref. No. ESDS / 2026-27 / 11

Date: September 29, 2026

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai, MH – 400001
Scrip Code: 544898

To
Listing Department
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai, MH – 400051
Scrip Symbol: ESDS

Sub: Submission of Transcript of Earnings Conference Call held on September 25, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Earnings Conference Call held on September 25, 2026.

The audio recording of the said earnings conference call has been uploaded on Company's website and can be accessed at this link: https://www.esds.co.in/assets/images/investor-relations/Earnings-Call-Audio/Earnings-Call-Audit-Recording.mp3

Kindly take the same on your record.

Thanking you

Yours Faithfully
For **ESDS Software Solution Limited**

PRASAD DEOCHAND DEOKAR
Digitally signed by PRASAD DEOCHAND DEOKAR
Date: 2026.09.29 18:24:53 +05'30'

(Prasad Deochand Deokar)
Company Secretary & Compliance Officer
M. No. A34350

"ESDS Software Solution Limited
Q1 FY27 Earnings Conference Call"
September 25, 2026

MANAGEMENT: **MR. PIYUSH SOMANI – CHAIRMAN AND MANAGING DIRECTOR – ESDS SOFTWARE SOLUTION LIMITED**
MR. NADUKURU RAMAIAH – CHIEF FINANCIAL OFFICER – ESDS SOFTWARE SOLUTION LIMITED
MR. SAURABH DAGA – ACCOUNTS AND FINANCE – ESDS SOFTWARE SOLUTION LIMITED
MR. PRASAD DEOKAR – COMPANY SECRETARY AND COMPLIANCE OFFICER – ESDS SOFTWARE SOLUTION LIMITED

MODERATOR: **MR. ASHIS DASH – SYSTEMATIX SHARES AND STOCKS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call for ESDS Software Solution Limited, hosted by Systematix Shares and Stocks. 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 any assistance during this conference, please signal an operator by pressing star followed by zero on your touchtone telephones. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Ashis Dash from Systematix. Thank you, and over to you, sir.

Ashis Dash: Thank you. Good morning, everyone. On behalf of Systematix Group, we welcome you to the Q1 FY27 Earnings Conference Call of ESDS Software Solution Limited. I would like to thank the management for giving us the opportunity to host the call.

From the management team, we have with us today Mr. Piyush Somani, Chairman and Managing Director; Mr. Ramaiah, Chief Financial Officer; and Mr. Saurabh Daga from the Accounts and Finance team.

We will begin with opening remarks by Mr. Piyush Somani to discuss the company's financial and operational performance. Over to you, sir.

Piyush Somani: Hi, good morning, everyone. Thanks for joining us for this call. I'm Piyush Somani, Founder and CMD of ESDS Software. We would like to discuss the ESDS Software Solution results for the first quarter of FY27.

I'm pleased to share that we've delivered another quarter of steady, disciplined growth. Our revenue from operations came in at INR 133.66 crores, which has grown by 7.28% year-over-year, while our profit after tax has grown by 14%, reaching to INR 29.28 crores. Our EBITDA stood at INR 559 million, translating to a healthy margin of 42%.

This performance reflects sustained customer demand, deeper engagement across our three segments, and continued execution discipline across our end-to-end technology ecosystem. Beyond the numbers, this quarter marked several important strategic milestones for ESDS.

We advanced Swaraj Cloud, our AI autonomous sovereign cloud platform built in India, bringing together compute, storage, networking, databases, AI and GPU infrastructure, cybersecurity, and managed services within a single integrated environment.

We also strengthened our product ecosystem with the launch of two new products: Swaraj Garuda for application performance monitoring and observability, and Swaraj Jatayoo for database activity monitoring. Our focus remains on converting these investments into sustainable, long-term value for our customers, our shareholders, and the broader ecosystem we serve.

With that, I'll hand over to my colleague to take you through the financial details, after which we'll be happy to take your questions.

Nadukuru Ramaiah: Good morning, everyone. This is Ramaiah speaking, CFO of ESDS Software Solution Limited. Thank you so much for joining the call. So, as Piyush has spoken about the company broadly, I would like to take you through the revenue and expenses, which is being the main part of our financials.

Revenue is INR1,336.57 million for the Q1 fiscal year '27, against a revenue of INR1,245.87 million in the corresponding quarter of the last fiscal year. Whereas, our total income stands at INR1,351.71 million in the current quarter, which is Q1 fiscal year '27, against which the corresponding number was INR1,257.21 million.

And the total expenses of Q1 fiscal year '27 was INR987.04 million, whereas for the corresponding period last year was INR910.39 million. Profit before tax is INR364.67 million for the Q1 fiscal year 2027, whereas the corresponding number was INR346.82 million. And the total tax expense is INR71.90 million for Q1 fiscal year 2027, whereas the corresponding number was INR89.96 million.

And our revenue has grown by 7.28% Q1 fiscal year 2027 vis-a-vis Q1 fiscal year 2026, whereas the revenue when compared to Q4 of fiscal year 2026 is down by 20.20%, primarily because there was design services revenue, which we had recorded in one of our subsidiaries during Q4 fiscal year 2026. Otherwise, rest of the numbers are in line and it is growing steadily as explained by our Managing Director, Mr. Piyush Somani. Thank you so much for your attention.

Moderator: Thank you very much. The first question is from the line of Swechha Jain from ANS Wealth. Please go ahead.

Swechha Jain: Hi, sir. Am I audible?

Piyush Somani: Yes, you are audible.

Swechha Jain: Okay. Hi, sir. Sorry, my question may sound very basic, but I really want to understand our different segmental revenues. And if you could help me understand what exactly we do in each of our segments in simple laymen terms, because we have our own GPU, we have our own cloud, and we also do managed services.

So, it's a bit confusing because, I think, we also have this cross-selling income and all. So, if you could help me understand a bit more in detail exactly what we do and what kind of margins do we make in each of these segments? That will be very helpful, sir. That is my first question.

Piyush Somani: Yes. So, I will first explain to you what all we do. So we offer 3 verticals of services to our customers. Infrastructure-as-a-Service, Software-as-a-Service, and Managed Services. So, in Infrastructure-as-a-Service, we offer cloud Infrastructure-as-a-Service, or GPU Infrastructure-as-a-Service, or co-location service. So, these are linked to infrastructure.

Then, in Software-as-a-Service, we have Swaraj Cloud and multiple, dozens of software that come under Swaraj cloud platform. And in Managed Services, we give people who manage the customer's cloud environment, customer's AI factory. So, anything that has to be managed by people, that all goes under Managed Services.

Now, as a service provider, we give everything combined to our customers. Our preference has always been to give everything combined to the customer, so that the customer is fully dependent on us. If the customer comes to us and says that, I want only one service and I don't want anything else, then we will not prefer to give service to those customers. We will prefer to give everything combined together.

Our profitability is high on Software-as-a-Service. But now, with growth of AI factories, with growth of GPU business, we are seeing more numbers coming from Infrastructure-as-a-Service and better margins also coming from Infrastructure-as-a-Service. So, we are looking at upwards of 50%, yes, just...

Saurabh Daga: Question on the split between all these 3 services. For Q1 FY27, our IaaS revenue was 51% of the total revenue, Managed Service revenue was 31.31%, and SaaS revenue was 17.55%. And this will go steady in future years as well.

Swechha Jain: Sorry, Managed Service was 31%, 51% was what, sir? I could not hear you.

Saurabh Daga: IaaS revenue, Infrastructure-as-a-Service.

Swechha Jain: Infra-as-a-Service, okay. And then Software-as-a-Service was 17.35%, that's what you said?

Saurabh Daga: 17.55%.

Swechha Jain: Okay, okay. And, sir, then we also have our own GPU, right? So, that own GPU, I understand is that our own data centers, right? So, when we say that we get revenue from our own GPU, so where does that revenue get billed?

Piyush Somani: GPU revenue also gets classified under Infrastructure-as-a-Service. So, the GPUs can either be owned by us or the GPUs can be leased through a partner. We will either lease it from a partner or we will buy and deploy those. At the moment, majorly we are leasing those from our partners. And until now, major number of GPUs have not gone live. So, in Q1, we did not have any significant numbers of GPUs that have gone live.

Swechha Jain: Okay. And so, what kind of our own GPU capacity we plan to build, going forward?

Piyush Somani: Sizeable. We have a sizeable number coming up. Yes. But that as the new AI factories go live in the future quarters, Q3, Q4 onwards, so all those numbers will appear in the future.

Swechha Jain: Okay. Sir, I have just one more question, and then I will rejoin the queue. Just want to understand, sir, we have just put up a notice for postponing our AGM. So, just wanted to understand, sir, just the rationale behind it. And also just one suggestion, sir. If, going forward, if you could put up some quarterly presentation for us to understand the segmental revenues and any other detail that you can share with the investors before the call, it would be very helpful, sir.

Prasad Deokar: Yes. So, regarding your first question regarding the Annual General Meeting, what has happened so, on 4th September, we got listed. And the list of shareholders that suddenly spiked to almost 1,90,000 shareholders. And so, all the arrangements that need to be made for them was a little bit difficult. And we also have to follow the timelines for arranging all these facilities and the Annual General Meeting. So, we thought that for complying with all the provisions of the Companies Act, as well as SEBI regulations, we will seek the extension from the ROC. Accordingly, we have approached the ROC, and ROC has came with this approval.

Swechha Jain: Right, right. Okay, sir. No problem, sir. So, I'll just rejoin the queue. Thank you so much, sir. Really appreciate this. Thanks.

Piyush Somani: Thank you.

Moderator: Thank you. The next question is from the line of Aaryan Mehta from Shravas Capital. Please go ahead.

Aaryan Mehta: Hi, good morning, sir. I wanted to understand the timeline or the update on the Sharon AI deployment. So, I read this article by GreenSquare, who's the colocation provider for Sharon AI, that Sharon just on 21st September leased the SYD1 data center for putting up the 8,200 chips. So, our target timeline was 16th September. But I mean, they leased it on 21st September. So, what is the reason for this delay, and when will that capacity come online? And when will we start getting revenue from that deal? Could you explain us that?

Piyush Somani: Yes. So, there was obviously a delay. So, that September date had got postponed by almost a month, 1.5. So, from Q3 onwards, we will see the revenue coming in from the AI factory in Sydney.

Aaryan Mehta: Sir, any month are you sure? Because, I mean, they just signed the colocation. So, when can we expect? So, November, December of -- when the revenue will start?

Piyush Somani: See, the implementation in the data center, GreenSquare data center, was going on from last 8 months. But because the billing is starting now, so they will be handing over to Sharon AI now. So, that is the reason you are seeing that agreement, that the billing is starting for GreenSquare from now onwards. Once the billing of GreenSquare starts, after that also, it takes a month's time for the implementation, so all the racks to come in, their testing to happen. So, we are targeting somewhere early Q1 or mid of Q3. Early or mid of Q3.

Aaryan Mehta: Q3, got it. And our own GPU capacity, which we also mentioned in the DRHP, around 600 to 800, what is the timeline on those? And what are the plans for scaling that up to a higher number?

Piyush Somani: Yes, we are scaling up that to higher number. The target is to touch around 1,500 GPUs. We'll be deploying those by January or February next year, which will be mid of Q4. Mid of Q4 or end of Q4.

Aaryan Mehta: Got it, sir. And my final question is, sir, when can more deals like the Sharon AI deal come online? And will it be similar size, let's say, 8,200, or more, maybe 10,000 or more than that?

Piyush Somani: We are working on multiple deals. As and when the deals will close, as and when customer advances come or contracts will be signed, we will inform the regulators.

Aaryan Mehta: Got it. And what will be the margin on these type of deals? So, we're leasing it, and then we're subleasing it to a customer, the end customer. What kind of margins can we expect?

Piyush Somani: We are targeting PAT margins in the range of 15% to 20%. So, that's our target PAT margin. We will not work for anything lesser than that.

Aryan Mehta: Got it. Thank you, sir, and all the best.

Piyush Somani: Thank you.

Moderator: Thank you. The next question is from the line of Anmol Garg from DAM Capital. Please go ahead.

Anmol Garg: Hi. Thanks for the opportunity, and congratulations on the IPO. Piyush, a couple of things that I wanted to understand. So, particularly for the India business, going forward, will the focus be more towards additions of CPUs or GPUs? And particularly, if it is GPUs, then do you see sustained demand of GPUs from Indian companies or Indian clients rather than just a pilot sort of projects?

Piyush Somani: Yes. So, demand from Indian customers is also growing. But compared to the global demand we have with us at the moment, we see Indian demand taking some more time to pick up. And that doesn't matter to us. We are in position to serve global clients from India also.

So, as we contract more data center capacities in India, more GPUs from our foreign partners, which can be deployed in India. As the capacity keep on building up, we will initially prefer to offer all of that capacity to our international customers. And slowly, as India demand also picks up, we will be happy to provide that to Indian customers also.

Anmol Garg: Piyush, when can we see GPU-led revenue start for our domestic India business apart from that international contract?

Piyush Somani: It has already started, but the numbers are not significant. Big numbers will come as we progress from here, as we continue to grow from here. We will see the numbers from Indian customers also coming in. Our initial preference is international customers because they are ready to give more price also.

There is desperation in international customers to get the GPU services. So, we are happy to provide services to them. They are good paymasters, giving 12 to 18 months of advances also. So, preference is to initially offer to whoever gives us better margins and makes more down payment also.

Anmol Garg: Understood. And also, any kind of order book that you want to highlight for our -- again, domestic business at this point?

Piyush Somani: Domestic business, we have got around INR3,000 crores of an order book with us. International is much larger than that.

Anmol Garg: Understood. And what would be the duration of this order book?

Piyush Somani: Duration of the order book is 3 years.

Anmol Garg: Understood. So, from that perspective, just from the domestic business, if you can give us any sort of guidance for the full year, let's say, for FY27 and '28, that would be really helpful.

Piyush Somani: Yes. So, we are not supposed to be giving any kind of guidance for full year. So, as the numbers will come, we will be disclosing the actual numbers every quarter-on-quarter.

Anmol Garg: Sure. Thanks. Thanks, Piyush, for answering the question.

Piyush Somani: Thanks, Anmol.

Moderator: Thank you. The next question is from the line of Divy Agrawal from Ficom Family Office. Please go ahead.

Divy Agrawal: Yes. Hi, sir. Am I audible?

Moderator: Yes.

Divy Agrawal: Yes. Hi, sir. Thanks for taking my question. Sir, firstly, I just wanted to know on a subsidiary, SPOCHUB. So, I guess, we had recorded a revenue of around INR85 crores and a PAT of INR54 crores in FY26 versus almost a nil revenue for FY25. So, could you explain the nature of this FY26 revenue?

Saurabh Daga: Yes. So, as Ram also mentioned in his opening remarks, this FY26 revenue was regarding the technical design services, which we provided to our customer regarding the GPU which they are building at Sharon AI factory. So, the we designed the entire cluster for them, and that's why our milestone got completed in FY26. And that was taken care by employees in our subsidiary company.

Divy Agrawal: Got it. So, this is like one-time, this won't be recurring, right?

Saurabh Daga: Right, right. Now, the GPU revenue will only get from Q3 FY27.

Divy Agrawal: Got it. Secondly, just wanted to know on the advance that we have received around INR1,100, INR1,200 crores from a particular company. So, what is the expected execution timeline for that order? And are there any similar advances or orders in the pipeline?

Saurabh Daga: So, again, this advance pertains to the same order, which will go live from Q3 FY'27. And advance will get amortized over a period of contract on monthly basis.

Divi Agrawal: Got it. And this is related to the Sharon AI deal only, right?

Saurabh Daga: Yes.

Divi Agrawal: Okay. So, next will be, lastly, I wanted to know the Managed Services revenue, so it increased like around 157% year-on-year to around INR76 crores. So, what were the primary drivers for that?

Saurabh Daga: So, again, same because as Piyush mentioned earlier, whatever is done by our employees, it's classified under Managed Services.

Divi Agrawal: Okay. So, the revenue would be increasing from here on? Is this the right understanding?

Saurabh Daga: So, FY'26 increase was primarily because of technical design service, which we classified under Managed Services. Now, the shift will be towards IaaS revenue.

Divi Agrawal: Okay, got it. Thanks a lot.

Saurabh Daga: Thank you.

Moderator: Thank you. The next question is from the line of Sudhir Bheda from Bheda Family Office. Please go ahead.

Sudhir Bheda: Yes. Hi, Piyush. Big congratulations for your maiden IPO. Sir, I just wanted to ask as a layman, as a financial person, I don't understand much of technical. So, can you throw some more light on Sharon AI deal? How many GPUs you will rent? And what would be the per GPU revenue?

So by FY'27, what could be the revenue from Sharon AI for this financial year and maybe next financial year? How many GPU you would employ for Sharon? And what could be the revenue? And what are the -- see, you have stated the order book of local GPU is around INR1,000 crores. So, what is the order book abroad, if you can throw some light on that?

Piyush Somani: Yes, thanks, Sudhir-bhai. So for the Sharon AI GPUs, as they get deployed by mid of Q3, so the revenue will be booked over there. And you can actually check the industry standards also at what price the GPUs are coming in. So, these are the latest advanced B300 GPUs, which are being deployed in the AI factory at Sydney. And 8,000 GPU, 8,200 GPUs all will kick in at the same time.

So, there will be a significant booster for our numbers that will come after this concludes. So, the industry standard where people are currently billing upwards of $5 per GPU per hour that is what everyone in the industry, $5, $6 per hour. So, we are also going to bill our customer in that range only.

Sudhir Bheda: Okay. Understood. So -- and the new orders which are -- you are going to sign or maybe you have indicated that very big orders are coming, so please throw some light on that, what kind of the price and it is the same $5 or how it will work for the other people apart from Sharon?

Piyush Somani: Yes. So, the new setup that we are doing in India is of a very small quantity, and that would be coming out of IPO proceeds and also some debt and some advance coming from the customers. So, we'll be putting a balance of 30-30-30 each, advance from customer and lending and 30% coming from the IPO proceeds, so that is what the target is.

And we at the moment are not signing any customer to this capacity, reason being that the prices of GPUs are increasing in the month of Jan. Our target is to come very close to the Jan and then only give it to our, any of our customer at a higher price. So, we will be buying at the current market price and leasing once the rates increase, NVIDIA rates increase.

Sudhir Bheda: Okay. So, do you expect rates to go up, because there were some rumors that rates are falling. So, it is not the case, right?

Piyush Somani: Continuously going up. Next three to five years, it is anticipated that the rates will go up. The demand is such that NVIDIA is not able to fulfill the demand, neither the semiconductor companies, neither NVIDIA. And they have reached a level where the prices of GPUs, CPUs, CPUs, RAM, storage, everything has become exorbitantly high and still the demand is such that the supply is not there.

Sudhir Bheda: Great. So, nice of you. Thank you very much for the opportunity given to me, and all the best.

Piyush Somani: Thank you, Sudhir-bhai.

Moderator: Thank you. The next question is from the line of Yash from Mavira. Please go ahead.

Yash: Hello. Thank you, sir, for the opportunity and congratulations on the great listing. Sir, one thing is when we say about the international pipeline, similar to, you know, the Sharon 8,200 GPU deal, so how big is the pipeline in terms of, you know, number of GPUs, if you can throw some light? And whether the GPUs, like you said, there is a shortage, so do we have enough, you know, capacity of GPUs to serve that pipeline?

Piyush Somani: Yes. So, Yash, thanks. Wonderful question. We have a strong funnel of more than 50,000 GPUs right now, and we are trying to figure out how we will deliver that, from where, all locations, which all locations we can deliver the pipeline.

Customers are waiting for the supply to happen, so we just need to get back to each of our customers. Our target is to block the capacity before the price goes up by 25% and then lease that capacity after the price goes up.

Yash: Understood, sir. And, sir, with respect to the 1,500 GPUs that you spoke about, so if I have heard it correctly, those will be deployed by Q4 of FY '27, the current financial year, correct?

Piyush Somani: Correct.

Yash: Okay. And, sir, with respect to the domestic order book, so how do you see that shaping? International order book is anyway strong. What about the domestic order book?

Piyush Somani: Domestic, currently, we are seeing a CAGR of 30% to 40%.

Yash: Okay.

Piyush Somani: Yes.

Yash: Understood, sir. Understood. Thanks. That's it from my side. Thank you.

Piyush Somani: Thank you, Yash.

Moderator: Thank you. The next question is from the line of Kunal Bajaj from Choice Institutional Equities. Please go ahead.

Kunal Bajaj: Yes. Good morning. Thanks for the opportunity, and congratulations, team, on the strong listing. So, I have a couple of questions. Firstly, starting with the consolidated revenue have declined on a quarter-on-quarter basis. This is broadly on the fact of the subsidiary-level weakness.

So, how much is it a one-off or a structural thing, because you mentioned earlier that there was technical billing which was there. So, was it related to the Sharon AI deal? That is one. And apart from that, so with Sharon AI deal, you mentioned that earlier it was supposed to be operational by October first week. So now, is it safe to say that we can start from November first half, or are we seeing much more delays after that?

Piyush Somani: Yes, that's right. So, we are expecting that to go live by November first week.

Kunal Bajaj: Okay. Also, if you can share some color on the European banking client who has taken the entire load of the Sharon AI capacity?

So, what is the nature of work they plan to do, because this is very high compute capacity. So, what is the level of and what is the nature of the work? Are they concerned for this?

Piyush Somani: No. So, we have not mentioned who is the client and what exactly they are going to do with this workload. Generally, when an AI lab or any kind of a enterprise customer takes a compute workload, they will try to develop some model and provide that as a service to their customers. So -- but yes, it is none of our purview to look into what they will be doing with the capacity.

Kunal Bajaj: Okay. Sure. Any timeline as that you maintain internally as to when we can have the capacity which we are building out of the IPO proceeds to be operational?

Piyush Somani: So, that will go live. As mentioned in the previous answer also that the capacity will go live by Q4 of the current year.

Kunal Bajaj: And the billing we can expect from Q4 itself or Q1 FY '28?

Piyush Somani: Billing will start from Q1.

Kunal Bajaj: Okay. And lastly, one more thing. So, any broad outlook on FY '27 and '28 in terms of revenue and profitability?

Piyush Somani: No. We cannot give any forward-looking numbers, so that is not yet, like, company has not planned to disclose anything like that.

Kunal Bajaj: Sure. Okay. Thank you so much. All the best.

Piyush Somani: Thank you. Okay. Thank you.

Moderator: Thank you. The next question is from the line of Zaksh Manekshana from Ambit PMS. Please go ahead.

Zaksh Manekshana: Hello. Hi. Thank you for the opportunity. Basically, the one thing I -- first thing I wanted to understand is, of the international pipeline, what is the client mix? Where is it coming from? So, is it from the U.S. and Europe primarily or do you all cater to China as well?

Piyush Somani: So, we actually, when we get a demand from our customers, we discuss that with our NVIDIA counterparts also. They have to approve. Once they approve, then we deploy as per their approvals. So, it's a process which we rigorously follow, and post their approval only, offtaker approval of them, then and then only the service is provided to the respective international client.

Zaksh Manekshana: Yes. No, that's fair. I mean, right now, but NVIDIA is allowing even Indians to rent out to China. I think why I'm asking this question is for future risk of client concentration, because right now the Chinese are the ones who are looking for the GPUs very aggressively, and U.S. has its own domestic capacity.

And so, as an Indian company, I think, I -- it would be important to understand, what are the geopolitical risks with the Chinese client customer base. And if you all are more concentrated with U.S. and Europe, that's great, but I just wanted to maybe understand, do you all cater to China as well? Not asking for specifics, but if that is a part of maybe…

Piyush Somani: Actually -- yes, we actually focus on collecting maximum advance from the customer, and this is an appreciating asset. This is no longer a depreciating commodity. So, even if a customer who has paid you 15 months-18 months of advance, if that customer walks out, you have another customer ready to pay you a higher price and take over that customer. And again, they are ready to give you more advance. So, that's why we don't see client concentration as it is at the moment.

Zaksh Manekshana: Okay. And so, then my follow-up to that would be that NVIDIA within the last 12 months-15 months has already launched the B200s, B300s, and we're going to see the Rubin GPUs also launch soon. And so, from that perspective, do you still feel that it's going to continue being an appreciating asset, or eventually is it going to get commoditized?

Piyush Somani: So, B200s have completed more than 2 years and they are also appreciating as of now. Same is with B300, GB300. So, the price at which we lease from Sharon AI, the current market price is around double of that. So B300, GB300s are appreciating, and when Vera Rubin comes in, Vera Rubin will also continue to appreciate.

What happens is that once a certain kind of company or certain kind of AI lab will get out of a certain kind of a GPU. Let's say GP300, they will stop using after 3 years. Then the gaming companies, the e-commerce companies, they will have demand for it. They will use it for another 3 years, 4 years. So the demand continues in a different, different customer segment.

And the use case, because of the CUDA framework of NVIDIA, CUDA has ensured that the GPUs, older GPUs continue to give you a far better performance in the future also. That allows the NVIDIA GPUs to appreciate year-on-year.

It's not like an iPhone which becomes slow after 4 years or 5 years. It continues to become faster and faster because of CUDA.

Zaksh Manekshana: Okay. That makes sense. And, just a final question on this front is that do you all, decide to increase capex into more GPUs on demand or do you all first decide we're going to bring in these many GPUs and then look for demand?

Piyush Somani: We initially, we were conservative. We were not ready to take much risk initially. That's the reason we got customers first and then got the capacity. Moving forward, we will build capacity also through our partners, through our own capital. We will build capacity, and as we go closer to the RFS dates that is when we will contract it. You will -- if you are tracking, maybe it's in the US, they build the capacity and just 30 days before the RFS they make an auction.

Zaksh Manekshana: Right.

Piyush Somani: So, they auction the capacity and they demand USD8, USD9 also from those auctions.

Zaksh Manekshana: Okay. Great. And are you all building any infrastructure outside the country as well, or is all of the infrastructure primarily going to be built in India?

Piyush Somani: No. It will be a mix of both. We will build international as well, whichever countries we are getting power, green power, clean power, we are going to those countries and we'll be partnering with local companies there, building data centers there, building AI factories over there. And India also will be doing the same thing.

Zaksh Manekshana: Okay. Great. Thank you so much. What you all are doing is very important for the country, I feel. So, thank you so much for this opportunity.

Piyush Somani: Thanks a lot, Zaksh. Good questions. Thank you.

Moderator: Thank you. The next question is from the line of Vedant Sarda from Nirmal Bang Securities. Please go ahead. Yes, Vedant, sir. Please proceed.

Vedant Sarda: Am I audible?

Piyush Somani: Yes, Vedant.

Moderator: Yes, you are.

Vedant Sarda: Thank you for the opportunity. Just want a clarification on the Sharon AI deal, like you have locked in Sharon GPUs, so similarly, you have locked in the revenue contract from the customers? So, though your GPU prices are going to rise, but your revenue will also be fixed at the pre-decided rate? Am I right in understanding?

Piyush Somani: Correct, Vedant.

Vedant Sarda: Okay. And if I'm not wrong, just you told that the older GPUs are performing better. They're not like an iPhone where their performance goes down. So, but obviously after 4, 5 years, our GPU will not be performing as better as the latest technology GPU or the new GPUs. Can you tell something about that?

Piyush Somani: So, CUDA platform of NVIDIA is what, so special. And the demand for RAM Stick, if you read my LinkedIn post in the last couple of weeks, I mentioned that 8 months back, we were able to buy 3 kilogram of RAM Stick from 1 kilogram of gold. Then it came down to 1 kilogram of RAM Stick from 1 kilogram of gold.

And today, we are sitting at 400 grams of plastic RAM Stick in 1 kilogram of gold. So, that is you can understand if plastic is becoming more expensive, plastic and silicon is becoming more expensive than gold, what would be the demand in the market?

Vedant Sarda: No, sir, I am understanding that prices should be going up after 4 years or 2 years, the prices of -- current market price of GPU is 100, that can be go to 200, 300. I'm talking about the performance of the GPUs. After 5, 6 years, we will have to buy again GPUs of latest technology to resume the services. That was my question.

Piyush Somani: Yes. A100 and H100, which are very, very old, more than5-year, 8-year-old kind of GPUs, even today, the customer is paying USD3.5 for that. The price at which we locked the B300, that same price is being demanded by H100. And we have a huge funnel for H100 also. Obviously, we cannot fulfill that. But there are customers regularly reaching out to us for A100, H100, H200 as well.

So, the demand is such that the supply is not there. And because the supply is not there, so there are 2 reasons. The H100 continues to perform very well for the e-commerce companies or the gaming customers or for various specific applications.

AI labs need the latest GPU. But after the AI lab has consumed their time, after they have used the GPU for 4 or 5 years, it goes to a gaming company, it goes to a video rendering company, it goes to a e-commerce company. So, they also will use it for 3, 4 years. So, we see a useful life of GPU running up to 8 years.

Vedant Sarda: Understood the point which you were trying to make. Thank you so much, sir.

Piyush Somani: Thank you, Vedant.

Moderator: Thank you. The next question is from the line of Ravi Mehta from OneUp. Please go ahead.

Ravi Mehta: Yes, hi. Thanks for this call. Just one small clarification. When I look at the revenues of quarter 1, it appears to be 7%, 8% growth on a Y-o-Y basis. But we hear that your order book is growing faster at 30%, 40%. So, when we -- why is this disconnect, if you can explain, or is there any seasonality in the business?

Piyush Somani: Yes, there is seasonality. Q4 is always a stronger quarter for us. But moving forward, as we deliver more and more AI factories, the numbers quarter-on-quarter would also comparatively increase significantly. And in next 2 years, 3 years' time, we expect the seasonality to go away, because as the – as we deliver more AI factories, there would be equal distribution across all 12 months of the year. And we will prefer to do a monthly billing also to our customers. So, that will change in the upcoming years.

Ravi Mehta: Okay. And on Y-o-Y growth, anything like to reach in the Q1 revenue, the revenues are up 7%, 8%. So, why is that disconnect?

Saurabh Daga: So, yes, as Piyush mentioned, generally, we deliver more in Q3 and Q4 historically also. So, Q1, 8%, we feel is appropriate numbers seeing the market condition right now and our deliverable for domestic customers. And we will grow on from Q3 quarter-on-quarter.

Ravi Mehta: Okay. Thanks. All the best.

Piyush Somani: Thank you. Thanks, Ravi.

Moderator: Thank you. The next question is from the line of Sandeep Agarwal from Naredi Investments. Please go ahead. Mr. Sandeep Agarwal, your line is unmuted. Please ask your question.

Sandeep Agarwal: Hello. Thank you for the opportunity. My question is, as we've seen that there is such a huge demand for the GPU globally, that capacity are booked for the next few years. Why is it that company like Sharon is not directly leasing its capacities to the end user and has to find a route through us? So also, do you see any risk of not renewal of lease contract after 5 years' period?

Piyush Somani: Yes. So, Sandeep bhai, we have locked Sharon for 7 years. Our rates are already like discovered with them. And if you read the contract that we have done with Sharon, our contract is locked for 7 years. This AI factory which they are setting up is for us for 7 years.

After the deal that happened between ESDS and Sharon AI, they have closed at least 10 more such AI factories, and they are sitting on a massive billions of dollars of cash. And obviously, they have a projection which is much, much higher than ESDS. So, Sharon AI has also leased to direct customers, and now they are demanding 50% of contract amount as advance from the customers. So, they are also doing exceptionally well now. But our deal with them was the first one, and that is where we managed to get a wonderful deal from them.

Sandeep Agarwal: Okay. The next question is with the spot rate of the GPU increasing constantly, do we see our deal rate for the new deals to be rising? And also, what impact this shall have on our costing for getting the GPUs capacity and alternatively our margin?

Piyush Somani: Sorry, Sandeep, you will have to repeat your question. In between, we lost your audio because of a problem on our end.

Sandeep Agarwal: Okay. So, just with the spot rate for GPU increasing constantly, as per the provided data, do we see our deal rate for the new deals to be rising? And also, what impact this shall have on our costing for getting the GPU capacity and our margin?

Piyush Somani: It's a demand and supply gap at the moment. The demand is increasing, and the supply is reducing. And because of that, the rates will increase. And to get the supply, we will obviously have to have strong relationship with our OEMs, ODMs, NVIDIA, and also strong connect with lenders, leasing partners, so, partners similar to Sharon AI. It's an ecosystem that we have built. We have to carefully handle the entire ecosystem to ensure that we continue to get the supply.

Sandeep Agarwal: Okay. And the last one, are we eligible for any capex subsidized under any scheme, like PLI or something?

Piyush Somani: No.

Sandeep Agarwal: Okay. Then, sir, just a question in my mind, sir, currently, what is our employee strength?

Piyush Somani: 993.

Sandeep Agarwal: Any addition due to this deal or something?

Piyush Somani: Yes. There will be an addition of close to 100 more people because of this deal. But we will also have some churn, voluntary and involuntary churn also. So, we don't expect the people count to go beyond 1,000.

Sandeep Agarwal: Okay. So, can we just take like this, as we increase our capacity or we do sign extra deals regarding this, our employee strength not expand accordingly? Or it will be…

Piyush Somani: Yes. We don't intend to increase employee strength that too much. Obviously, some senior-level people, expensive CXOs may come in the Company that will probably increase the salary component a little bit. But we don't expect people count to go up. We are also -- wherever we are partnering, we are telling the partners also to put their employees in the project, and the entire AI factory would come from the partner, people may also come from the partner. Plan is to keep people cost as low as possible.

Sandeep Agarwal: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Nupur Kogta from NIPL. Please go ahead.

Nupur Kogta: Yes. Hello, sir. Thank you for the opportunity. In continuation of the previous participant's question, I wish to know that you told that Sharon is now also directly leasing its capacities further. So, do we see a risk of non-renewable of our lease contracts going further after a period of 7 years or with some new deals, do we see a similar risk?

Piyush Somani: So, after 7 years, we don't know what will happen, whether our client will continue with us or not, we don't know. But, yes, 7 years, we have a clarity that this highly premium capacity is there with us. And after 7 years also, we will negotiate with them. Whatever would be the market rate, on that basis, we will negotiate and try to continue the AI factory.

We have wonderful relationship with Sharon AI management, and we believe in a 1 plus 1 equals to 11 kind of partnership. They appreciate our partnership. We appreciate their partnership. And they are getting an opportunity right now to make money from newer orders. So, we are happy that our partner is growing.

Nupur Kogta: Okay. And my second question is like, for the upcoming GPU capacity that we are planning in India, would the GPU availability be a constraint?

Piyush Somani: It is already a constraint. There is a delivery timeline delay of 4 months, 6 months, 9 months also. So, we are leveraging our relationships to get the deliveries expedited.

Nupur Kogta: Okay. Okay. All right. That's all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Aaryan Doshi from Divitiae Investments. Please go ahead.

Aaryan Doshi: Yes. Am I audible?

Piyush Somani: Yes, Aaryan.

Aaryan Doshi: Yes. I just wanted to ask that, in RHP it's mentioned that our business is not seasonal in nature, right? So, was the stronger Q4 mainly because of the INR75 crores from the new overseas customer? And excluding that customer, how did the core business grow in Q1?

Piyush Somani: So, we had a growth in the core business also. If you will see the financials of FY26, you will see that year-on-year, there was a growth in the core business also. But because this was a massive AI factory design and complete architecture of the AI factory that had to be done by our team, so that's the reason there was this one-time managed-services revenue came from the same customer.

Aaryan Doshi: Okay. So core business grew, you are saying?

Piyush Somani: Yes.

Aaryan Doshi: Okay. And we are sitting like on a INR1,177 crores customer advance, right? Plus INR720 crores from the IPO. So, how much of this has been deployed into GPU and server capex so far? And what's the total capex planned for FY27?

Piyush Somani: FY27, we are targeting to conclude around INR1,500 crores of capex, and additional INR1,500 crores, whatever has happened, I exactly don't have the numbers in front of me right now, but we will be doing additional INR1,500 crores of capex in FY27.

Aaryan Doshi: So, from the customer advance and the IPO proceeds, right…

Piyush Somani: Customer advance, IPO proceed, and partial debt.

Aaryan Doshi: Partial debt? Okay. Okay, thank you so much. Thank you so much for answering my question.

Piyush Somani: Thanks, Aaryan.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question. I now hand the conference over to Mr. Prasad Deokar for closing comments.

Prasad Deokar: Thank you. Thank you. Thank you once again to everyone on this call. So, before we conclude, I would also like to place few points on the record for the benefit of all participants.

So, I would like to inform everyone that certain statements made during this call, including those by our Managing Director or by our finance team, regarding our business outlook or strategic plans, or any forward-looking statements, actual results may differ from those expressed or implied in such statements. The Company also undertakes no obligation to publicly update or revise any forward-looking statements, except as required under the applicable law.

Further, I would also like to confirm that the financial results discussed today are the unaudited consolidated and standalone financial results for the quarter ended 30th June 2026, as reviewed and taken on record in accordance with the applicable provisions of the Companies Act and SEBI LODR. A detailed result has been filed with the Stock Exchanges and are also available on the Company's website.

So, we thank all our shareholders, analysts, and investors for their continued trust and support, and for taking the time to join us today. Thank you, everyone.

Moderator: Thank you very much, sir.

Prasad Deokar: Thank you.

Moderator: On behalf of Systematix Shares and Stocks, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.

Prasad Deokar: Thank you.

Management: Thank you.