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**June 12, 2025**

To,  
**Corporate Relationship Department**  
**BSE Limited**  
P.J. Towers, Dalal Street  
Mumbai — 400 001

To,  
**Listing Compliance Department**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor Plot No. C-1,  
G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai- 400 051

**Scrip Code: 532875**

**Scrip Symbol: ADSL**

**Sub: Transcripts of the earnings Call-Financial Results for the quarter and Year ended March 31, 2025**

Dear Sir / Madam,

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of earnings call held on Friday, June 06, 2025, with respect to the financial results of the Company for the quarter and Year ended March 31, 2025.

This is for your information and records.

**Thanking you,**

**Yours faithfully,**

**For Allied Digital Services Limited**



**Khyati Shah**  
**Company Secretary**

Encl: as above

**Allied Digital Services Limited**

**Registered Office:** 808, 8th Floor, Plot No. 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021.

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**Allied Digital Services Limited**  
**Q4 & FY2025 Earnings Call Transcript**  
**June 06, 2025**

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Call Duration	<ul style="list-style-type: none"><li>• 39 minutes and 37 seconds</li></ul>
Management Attendees	<ul style="list-style-type: none"><li>• Mr. Nitin D Shah, Founder, Chairman &amp; Managing Director</li><li>• Mr. Nehal Shah, Whole-time Director</li><li>• Mr. Paresh Shah, Global CEO</li><li>• Mr. Ramanan Ramanathan, Global Head Strategy responsible for Growth, Innovation and Partnerships</li><li>• Mr. Gopal Tiwari, Chief Financial Officer</li></ul>
Participants during Q&A session	<ul style="list-style-type: none"><li>• Shweta – Arihant Capital Markets</li><li>• Deepak Poddar – Sapphire Capital</li><li>• Amit – H. G. Hawa and Company</li><li>• Tushar Parekh – Natvarlal Mangaldas and Company</li><li>• Harshit – Individual Investor</li></ul>

Moderator: Ladies and gentlemen, good day and welcome to the Allied Digital Services Limited Earnings Conference Call.

As a reminder, all participants' lines will remain 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 the operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the call to Mr. Mit Shah from CDR India for opening remarks. Thank you, and over to you.

Mit Shah: Thank you, Ryan. Good afternoon, everyone, and thank you for joining us on Allied Digital Services Limited's Earnings Call for the 4th Quarter and Financial Year ended 31st March 2025.

We have with us on the call today, Mr. Nitin Shah – CMD, Mr. Ramanan Ramanathan – Global Head (Strategy) responsible for Growth, Innovation and Partnerships, Mr. Nehal Shah – Whole Time Director, Mr. Paresh Shah – Global CEO and Mr. Gopal Tiwari – Chief Financial Officer.

We will begin with comments from Mr. Nehal Shah who will cover the recent developments across the business, followed by Mr. Gopal Tiwari who will walk us through the financial highlights. Thereafter, Mr. Paresh Shah will discuss the operational performance and order wins, post which we will open the call for a Q&A session.

Before we begin, I would like to point out that certain statements made on today's call could be forward-looking in nature and a disclaimer to this effect has been included in the earnings documents that have been shared with you earlier.

I would like to hand over the call to Mr. Nehal Shah for his Opening Remarks. Over to you, sir.

Nehal Shah: Thank you, Mit. Good afternoon, everyone, and thank you for joining us today. I hope you have had a chance to review the earnings material we shared earlier.

We are pleased to report a strong performance for FY '25 with consolidated revenues reaching Rs. 807 crore at 17% year-on-year growth and the highest annual revenue in our company's history. This milestone underscores the robust execution capabilities and the growing demand for our digital transformation services across geographies.

The Board of Directors has recommended a dividend of 30% for FY '25 amounting to Rs. 1.5 per share of face value Rs. 5. This is subject to shareholders' approval at the upcoming AGM.

Our India operations continue to lead our growth trajectory with standalone revenues rising 21% quarterly growth year-over-year. This was driven by strong momentum in both the enterprise and the government segments, particularly through Smart City initiatives. We are proud to play a strategic role in India's digital transformation journey.

Notably, our domestic business surpassed the Rs. 300 crore mark this year, reflecting its depth and resilience. Internationally, we are seeing encouraging signs of recovery. Enterprise clients in the U.S. are re-engaging with greater conviction, while EMEA and other global markets are contributing steadily to our diversified revenue base.

From a geographical standpoint, the U.S. showed improved traction, helping drive a 8% year-on-year increase in revenues from the ROW segment. The Indian business continued its momentum, reporting a 28% year-on-year growth.

Segment wise, our services business grew by 9% year-on-year, while solutions revenue rose by 58%. As many of you know, the Solutions segment often serves as a pipeline for our Services business, which generates recurring revenue and provides long-term stability.

We recorded order intake exceeding Rs. 133 crore this quarter, further strengthening our order book. Over the past few quarters, consistent high-quality wins have helped us build a more diversified portfolio, enhancing our long-term growth visibility. Paresh Shah, our global CEO, will share more on this shortly.

A key highlight in the current quarter, there was an additional Rs. 80 crore order from the Pune Smart City in May 2025, following the Rs. 430 crore win in October 2024. This brings our total engagement in Pune City Surveillance project to over Rs. 500 crore, reinforcing our leadership in the Smart City space. We are also in advanced discussions for another major engagement, and we will share updates as they materialize.

Importantly, we are seeing an increase in the average ticket size of new wins, an encouraging sign of our growth value proposition, the trust that our clients place in us.

Despite the challenging macroeconomic environment, including inflationary pressures and heightened competition, our margins have

remained resilient. This is the result of discipline execution, operational efficiency and continued investment in strategic growth levers.

You are aware that in FY '25 we changed our statutory auditors upon the expiry of a five-year term of previous auditors in compliance with regulations. The new auditors have undertaken their made in detailed review of our financial statements for the last several years and have made some observations in keeping with their interpretation of the applicable accounting standards in order to strengthen presentation of our financial statements. Our CFO Gopal Tiwari will share further details on this exercise.

Looking ahead, we remain cautiously optimistic. While macroeconomic uncertainty persists, we are encouraged by the early signs of recovery in discretionary spending and continuous customer engagement. The strong business momentum of the last three quarters coupled with the healthy deal pipeline, increased win rates position us well to deliver consistent growth in the coming quarters. With a more diversified portfolio, robust demand in both domestic and international markets and strong execution capabilities, we are confident in our ability to sustain the growth trajectory from FY '26 and beyond.

That's all from my side. I will now hand over to Gopal Tiwari who will walk you through the financials in more detail.

Gopal Tiwari:

Thank you, Nehal, and good afternoon, everyone.

Let me highlight some of the key financial achievements in FY '25:

To begin with, we are pleased to report a strong double-digit growth in revenue. Revenues for Q4 FY '25 were higher by 16% year-on-year basis at Rs. 204 crore. For FY '24-'25, we have reported top-line growth of 17% on year-on-year basis. Full year revenue of Rs. 807 crore is the highest ever annual revenue in our history, setting a new benchmark in performance.

As we informed you earlier, we had appointed new statutory auditors at the last AGM. This change reflects our intent to bring in fresh perspective and further strengthen oversight, controls and compliance practices. The statutory auditors in their maiden year have undertaken a detailed review of our financial statements for last several preceding years. In the course of this review, they have validated a large part of our statements as correctly portraying the financial position of the company.

However, there have been some observations and corrections made by them in standalone financial statements, which I shall take you through.

So, first one is in FY 2007-08, Allied Digital India had extended a loan to its subsidiary, Allied Inc., USA, with the intention that Allied Inc. would invest that amount in Allied LLC, USA. However, erroneously, the said amount was recorded as an investment in ADSL India books. This has now been rectified and reclassified to loans and advances. Due to this reclassification of foreign exchange gains to the extent of Rs. 48 crore plus pertaining to earlier periods has been recognized in the statement of profit and loss account during the current year.

Further, the auditors have identified some errors in valuation of certain assets and liabilities pertaining to foreign exchange gains loss and the resultant impact of Rs. 20 odd crore has been recognized as a foreign exchange loss in the current year.

Apart from that, there was an error of omission with regard to booking of deferred revenue for an amount of Rs. 7.5 crore, which has now been recognized in the financial statements and other income.

Further loss on sale of fixed assets amounting to Rs. 7.5 crore which was unrecognized due to an error has now been included in other expenditure.

Depreciation has increased to Rs. 15 crore in quarter FY '25 compared to Rs. 5 crore in FY '24. This includes the rectification of incorrect estimation of useful life of certain fixed assets, which had resulted in short booking of depreciation to the extent of Rs. 6.9 crore. The aggregate effect of these rectifications has resulted in a marginal gain in the standalone financial statements.

Ind AS 8 specifies that any modification correction for prior periods should be done in the form of restatement of financials for the earlier years, which requires a detailed exercise involving additional bandwidth and time. Keeping in mind the overall nominal impact of these rectifications, it was considered prudent to take effect of all the above rectifications in the current financial year itself.

Coming to the consolidated financial statements, the performance up to the profit before tax level has remained positive. However, a deferred tax charge arising from these non-recurring items and higher current year tax has led to a negative profit after tax for the quarter compared to positive PAT in the Q4 of the previous year.

We would like to reiterate that we are working closely with our Board and Audit Committee to continuously upgrade our internal frameworks, ensuring that our corporate governance keeps pace with the evolving business environment and regulatory expectations. These steps are central to building long-term credibility and trust with all our stakeholders.

Thank you so much. I will now hand it over to Mr. Paresh Shah – our CEO, who will take you through our order book and strategic initiatives in more detail.

Paresh Shah: Thank you, Gopal. Good afternoon, everyone.

Let me take you through the operational highlights for this quarter:

We are pleased to report that Allied Digital secured over Rs. 133 crore in new orders and contract renewals, reinforcing the strength of our offerings and our growing relevance across geographies and sectors.

Here are some of the key wins during the quarter which I am listing. We won a significant engagement with the publicly traded omni-channel furniture leasing company headquartered in Plano, Texas. Operating across North America via retail and digital platforms, the client has entrusted Allied Digital to deliver 24x7 multilingual services support, English and Spanish, for its employees, contractors and vendors across the U.S., Mexico and Puerto Rico.

Another win, we were selected by a leading British oil and gas player for its U.S. onshore operations in Texas and Louisiana, with a strong focus on high margin production, safety and emission reduction, Allied Digital will provide technical support services for their collaboration tools, meeting rooms, and audio-video platforms.

Another noteworthy win came from a leading healthcare research firm pioneering treatments for severe diseases through CRISPR-based genome editing. Allied Digital will offer digital workplace services including 24x7 service desk support for their clinical users and endpoint engineering for their end-user devices.

On the domestic front, we secured a critical order from a major state-owned electricity transmission company in Maharashtra. We will upgrade their current network by implementing SD-WAN infrastructure across the state reaching down to divisional office level, a key step in modernizing their digital backbone.

We also received a contract from a multi-super specialty hospital in Gujarat, established a joint venture by leading medical professionals.

Allied Digital will manage their facility-managed services supporting their day-to-day operations.

In addition to all these, we successfully renewed multiple contracts across a wide range of industries including FMCG, packaging, factoring services, global medical devices, colorant manufacturing, multinational IT consulting and trade-off associations. These wins and renewals are a testament to our execution strength, industry expertise and commitment to delivering business-critical digital transformation across sectors.

We are also proud of our expanding capabilities and the trust our clients continue to place on us. As we move ahead, we remain focused on innovation, operational excellence, and driving impactful outcomes for our stakeholders.

With that, I will now hand it over for a Q&A session.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Shweta from Arihant Capital Markets Limited. Please go ahead.

**Shweta:** Hi, good afternoon, sir. Thank you for the opportunity. My question is regarding the order book, with strong order momentum this year, what kind of revenue growth are we anticipating for FY '26? And can you throw some light on the split between Domestic and the Rest of the World orders?

**Nehal Shah:** Thank you, Shweta, for your question. As I told in my previous calls also, we are leading steadily towards our Rs. 1,000 crore top-line revenue. And we feel and we expect maybe one quarter here or there, we should be on the track to reach the milestone in the next four to five quarters.

Regarding the breakup, we are seeing there are certain large contracts that are there in the pipeline from international customers, for which we are very, very excited that we will hear some closures very soon. And from India perspective, we just announced the Pune city surveillance about four months back and we got an additional order on that as well, which I already spoke about. And there is a strong pipeline from the government sector as well as the enterprise sector. So, some exciting orders might be there, which we should be able to announce in the next quarterly meeting that we have.

**Shweta:** So, what is the progress on onboarding clients directly without intermediaries? And when do you expect this to start reflecting in margin and customer stickiness?



- Nehal Shah: So, thank you for this question again, Shweta. In India, if you see, most of our customers are direct. We do not have too many customers who are partners, but yes, our global revenues do have partners through whom we take contracts. The reason for that from a strategy perspective was to make sure that we get to access a larger customer base who by themselves would not consider us large enough to work directly with us. So, that's the strategy.
- Coming to direct customers, very soon we are going to be hiring more salespeople who would be focusing predominantly only on identifying and going behind the mid-segment Tier 1 customers in the global market. So, we are very, very confident that in the next three to four quarters, you would be hearing some or maybe a good number of direct customers, maybe smaller in size, but those customers will come, and we should be direct to us, which will help us in bettering our margins in the future quarters.
- Shweta: So, my last question is regarding you have mentioned regarding the restatements of financials. So, could you throw some light on the nature of the restatements and whether there is any financial or operational impact from it?
- Gopal Tiwari: I will answer that. I will answer that. See, restatement was required as per Ind AS 8. However, there being very minor overall impact on our financials. After the gains and losses are booked in the current year, there is hardly, I mean, a very minuscule impact was there. So, that's why we, management, took the decision not to restate and take all gains and losses in the current year itself. So, you will see that our gains and losses are more or less on a similar line. So, there was hardly any impact. I mean, just you can say less than a crore gain was there overall.
- Moderator: We take the next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar: Thank you very much for this opportunity. So, just, first of all, I wanted to understand first on the reinstatement part. I mean, if this reinstatement would not have happened, what would have been your consolidated PBT? I mean, which is currently Rs. 10 crore, Rs. 11 crore. So, that will give us some understanding on an operational basis where we stand.
- Gopal Tiwari: I will give you the answer. See, the reinstatement has not made any major difference on the number. The PBT would have been just impacted by less than a crore.
- Nehal Shah: No, PBT, they are saying is looking right now at Rs. 11 crore. So that it would have been better, no?

- Gopal Tiwari: Yes, no. I mean, that's what I am about to say. So, there are certain expenses, extra expenses provisions have been booked in our expenses. If you see our other expenses number, that is drastically increased from last quarter or year-on-year basis also.
- So, there are certain provisions, extra provisions and corrections pertaining to earlier period which was taken into account. Because of that, this amount is Rs. 11 crore only. Otherwise, this amount would have been actually in the range of around Rs. 20 crore to Rs. 23 crore if we take out that impact. So, it is rather quarter-on-quarter basis, it would have been better than the last quarter and year-on-year basis also, it would have been better than last year. So, because of that impact, our PBT amount is reduced.
- Deepak Poddar: Around Rs. 11 crore would have been in the range of Rs. 22 crore to Rs. 23 crore. So, impact of Rs. 11-12 crore on PBT on an overall basis. I mean, the entire impact, right?
- Gopal Tiwari: Yes.
- Deepak Poddar: I got it. And what is your current order book? I mean, what would be our in rupees crore?
- Nehal Shah: So, Deepak, technically we don't give our order books numbers out because in the past when we have tried giving out that, it has just confused our investors because typically if I give out a number, that number has to be a combination of some renewals, something that already billed, something that we are going to bill out. So, typically, what we have done is that from the last four or eight quarters that you have been following us or if you see our numbers, we generally give our quarterly order wins and the recurring revenue or targets based on that.
- So, even in our current scenario, most of our revenue is recurring in nature. And even the Solutions business typically that we bill out eventually turn into services after go-live. So, any project that we are implementing right now, we consider them under the Solutions bucket. And once we move out, they go into the Services bucket. So, the recurring revenue keeps on happening.
- Deepak Poddar: So, this 4th Quarter, your order win was around Rs. 133 crore. That's right?
- Nehal Shah: Yes, that's for this quarter.
- Gopal Tiwari: Yes.

- Deepak Poddar: And overall, I think, I mean, you mentioned somewhere a Rs. 500 crore order that we have got in Pune. Is that the right understanding?
- Nehal Shah: Correct. That we got in the last quarter, that we announced in the last quarter. Last to last quarter, yes.
- Deepak Poddar: We got some Rs. 80 crore extra, right?
- Nehal Shah: Yes, that we just got this month, I mean, in the month of May. We got an additional change request coming in from the customer so that the whole order value went from Rs. 420 crore to Rs. 510 crore or something. So, about more than Rs. 500 crore.
- Deepak Poddar: When you say, I mean, we have got a good deal pipeline, can you throw some more light there? What sort of pipeline we are talking about? What sort of order win per quarter we can see because of this pipeline?
- Nehal Shah: So, there are a couple of large contracts to the tune of about, in the U.S., we are seeing one or two large orders that are there in the pipeline, of which one looks very, very positive. I am only talking about the bigger numbers. Okay. I am not going to the smaller details. That contract itself is in the tune of about \$45 to \$50 million. If we click in there, that adds to the order book. And then there are several other smaller line items on which we are working. Probably, Paresh could give a number on that.
- Paresh Shah: Yes, as Nehal talked about the Pune project which will reflect from this quarter though, so that's another one, large one. And we have some very critical projects even in India which are pretty much in the pipeline on the verge of closure. So, we will soon have some announcement this quarter on that. And these are good size orders. So, we definitely see that the coming quarters show a very promising order wins placed in next two, three quarters. That's the visibility that we have immediately.
- Deepak Poddar: We can say, I mean, for FY '26, what sort of order win we can target?
- Nehal Shah: So, I would say order wins are important. A top-line target that we have kept of Rs. 1,000 crore. I think we are slowly progressing over there. We would want to make sure that we try and reach there. For that, from our revenue perspective, we should be ideally targeting a quarterly revenue of about Rs. 250 crore. If you see, in the last three quarters we have been successfully able to go beyond the Rs. 200 crore mark and slowly progressing. Depending upon how and when the billing happens, we are targeting to reach towards the Rs. 250

crore quarterly mark. That's the first short-term target that we have kept for ourselves.

Deepak Poddar: Rs. 1,000 crore won't be possible, right? I mean, maybe in 3-4 quarters or 2-3 quarters we may target to reach a Rs. 250 crore kind of a quarterly run rate. Is that understanding right?

Nehal Shah: So, see, if you ask me, Deepak, the idea is that it all depends upon when the billing is allowed. If you ask from the previous orders that are already booked in, depending upon the execution and depending upon when I can bill them, I would be able to reach to that number, but we are very confident that the number is in hindsight, it is reachable and doable. Maybe, yes, you are right. If the billing happens or gets postponed by a quarter, you might see that happening maybe after five quarters.

R. Ramanathan: If I can add something to this, Ramanan here. I would request you to look at the trajectory that Allied Digital is looking at from how it's going to affect Allied Digital's revenues over the next several years.

First of all, there is a very strong growth in our System Integration business, the Master System Integration business in India. And we are seeing bigger and bigger opportunities. And that is a huge demand for intelligent infrastructure, not just from a national point of view, but also from GCCs and all which are coming up. And so, this is right in the core competency of Allied Digital. And so that is a great opportunity in front of us, which we are bidding on and we are being pretty successful because of our track record.

The second is the same opportunity exists in international markets. And we are now looking at international opportunities in Master System Integration, not just in the developed countries, but in also the emerging economies.

The third trajectory is Enterprise solutions in India and Enterprise business. So, that is again, we have had increasing number of customers who are now reposing their faith in us in end-to-end Infrastructure Management and Managed Services. And managed services is going to grow because of the complexity of technology that is getting integrated into all the solutions that is currently out there, whether it is Edge AI, whether it is IoT and as on. And AI-enabled managed services is now going to become the norm. And that is where Allied Digital has already developed assets and IP, which is going to help us in that direction. And therefore, more and more reliance on Allied Digital solutions and services will be there.

And the fourth is we are also diversifying from a geography point of view. And that geographical expansion, not just depending on one

particular country, but in multiple countries, is going to help us because now we have a track record of operational execution in multiple countries across the globe.

And finally, that question which somebody asked in terms of going direct, that is, again, a very conscious strategy that we are developing now, and we have started looking at, because on one side, a partnership strategy enables us to address large potential customers that are beyond our reach. But there is a whole lot of medium and small customers that Allied Digital can go directly on. So, if you look at this trajectory growth, that should give you a certain sense of the quality of revenue and the holistic approach that we are looking at. And I would urge this view to be taken from the point of view of an assessment of Allied Digital's capabilities as well as its future.

Deepak Poddar: Very helpful, sir. And just one final thing. On the margin side, how should we look at margin for this year, FY '26, either EBITDA or PAT margin, whatever?

Nehal Shah: So, Deepak, we are trying to work on our EBITDA margin but looking at the current order book and the pipeline that we have in the U.S. market, global market, it could be a little challenging. We will be happy to continue at the margin that we are showing right now and try to improve it operationally as and when we can in the near future.

Deepak Poddar: Right now, I mean, we are talking about 11%-12% EBITDA margin. I mean, is that the range we are looking at?

Nehal Shah: Yes. Currently, yes, this is what I would want to stick to and then constantly work towards improving the margins because most of our contracts that we get, we get for a longer period of time. So, once they go in the go live phase or in the stabilizing phase is when we get a lot of scope of improving the margins with respect to getting additional change requests or additional business from the existing customer or reducing the operational cost by introducing, as Mr. Ramanan explained, AI in our delivery model. So, we would be able to do that in the coming quarters.

Moderator: The next question comes from the line of Amit from H. G. Hawa and Company. Please go ahead.

Amit: Good afternoon, sir. Sir, my question was like two questions. One is like connected to the cash flow. Can you elaborate on the FY '25 operational cash generated versus the profit reported? And second question is connected to the CAPEX, like what are the CAPEX plans for FY '26?

- Gopal Tiwari: See, cash flow generated in FY '25 is to the tune of almost Rs. 60-odd crore cash flow has been generated in this financial year. And there is, as such, we have no major plan for CAPEX for the coming year.
- Nehal Shah: So, rather than CAPEX, I think we have kept these war chest money for looking out for any potential acquisitions with respect to making sure that we are more technically and technologically advanced. So, that is what the war chest money is kept for.
- Moderator: The next question comes from the line of Tushar Parekh from Natvarlal Mangaldas and Company. Please go ahead.
- Tushar Parekh: Hi, this is Tushar here. Good afternoon to everybody. Current scenario with regards to the war and things going on and Allied Digital having connect the Government and working closely with the government, is there any prospect for us to participate in any border Security or Cyber Security or anywhere where the company can also show participation in the defense sector, which is a very hot topic for the Government and very interesting for the international market as well? Because the surveillance market and the cyber security board proves as a very interesting area to work upon. Is there any chances where the company can participate there? Please let me know.
- Nitin Shah: I will answer. Nitin Shah here. We have been trying to get into the border security almost about 5-6 years back. We had a good connection with Israel-based company. And I visited. They also visited here. And somehow it did not work out. We are very much there in the homeland security. So, whatever we are doing for the city surveillance, same thing could also be done at defense also. So, we are very optimistic to get some of those large good tenders that we can work on that. And we are ahead of the curve when it comes to cyber security or physical security.
- Paresh Shah: Let me just add, Cyber Security is going to be because after this operation, there are even more attacks, cyber security attacks. So, it's very important that that's an area which is very much hot in demand for every industry in India. And there are certain targets which the terrorists want to achieve. So, we see a big prospect in really improving on the cyber security business, which I am sure it's going to be in big demand in the coming quarters.
- Nehal Shah: And Tushar, just to add to that, there are a couple of RFPs that have come across with us for which we are right now doing technical evaluation for us to figure out if it is good enough for us to bid or not on the border security and border safety.
- So, yes, hopefully, maybe in the next two or three quarters, you will hear some positive news on that side as well. But having said that,

Allied Digital is in the right space and right position when we want to do any such kind of projects due to the various Smart City projects that we have done.

**R. Ramanathan:** If I can just finally add on this. Cybersecurity is now taking a new turn in terms of AI getting integrated into all the drones and IoT devices that are out there. And that is very much up Allied Digital's core competency, because of the managed services that we do, not just from the point of view of IT, but also for Smart City surveillance and so on and so forth. So, this is an area that we intend to capitalize on, and also develop necessary partnerships with very strong organizations who have good solutions so that not only are we able to address the big opportunities, but also enable, through the partnerships, opportunities in the international market.

**Moderator:** We take the next question from the line of Harshit, an investor. Please go ahead.

**Harshit:** Hello, everyone. My name is Harshit. My question is more with regards to the net profit margin. I can see the EBITDA margins have been consistent since the last three years. It was around 13% in FY '23 and then 12% each in FY '24, '25, which is around flat. But the net profit margins have been consistently down. What is the reason for the same? And also, I think in one of the earlier questions you mentioned that there is some additional other expenses which has been booked in the quarter to the tune of Rs. 10 crore, Rs. 11 crore. So, I just wanted to understand what that relates to?

**Gopal Tiwari:** So, I will give you the answer. The other expenses are increased by around Rs. 10-12 crore almost. That amount pertains to extra provisions have been made as per the advice of the new auditors, which needs not to be written off in coming years. That can be brought back again into the profit. But since we had to take that provision, our PBT amount has been reduced by that. So, if you take that amount into account, our PBT for this year would have been around Rs. 72 to 73 crore. So, our EBITDA would have been much better.

And our net profit, so far as net profit is concerned, you can see that net profit is down because of tax implications. Our deferred tax has increased in this year. Instead of last year it was Rs. 25-odd lakhs, this year it is Rs. 5.5 crore. And even our current year tax has also increased from last year Rs. 17 crore, it is Rs. 23-odd crore.

So, our tax implication is much higher in this year because of that our PAT is squeezed to that extent. So, going forward, this is a one-time phenomenon. Going forward, it's not going to be remaining same. So, our PAT will improve considerably in coming periods. So, our PAT margin and EBITDA is going to be better than the current year.



- Harshit: Just one follow-up question on these provisions. So, these provisions, are these some provisions on the debtors? So like, can you just explain in detail?
- Gopal Tiwari: Yes, it's an extra ECL have been provided by the auditors, our new auditors. So, we have provided that as a precautionary measure, but it's going to be written back most probably in the coming years.
- Harshit: And one second question from me is, on these new Pune projects, is there any additional one-time expenses that has been booked which kind of reduces your net profit margins or there isn't anything like that?
- Nehal Shah: No, nothing one-time that we have done for Pune project. It is a standard project for us. So, whenever we go in the implementation phase, we see a lot of products being procured and deployed. That could be one of the other reasons where you will see the margins to be a little lower because all of us know that during the product delivery phase, the margins are not as good or as high as the delivery and the O&M phase. So, that could be the reason. But having said that, I don't see, or I don't look at that there are any extra investments done, one-time investment or one-time expense is done from the Pune project perspective.
- Nitin Shah: So, I would rather point this way. Pune city surveillance is a very large project. Unfortunately, no benefit that is being accrued till now in this balance sheet. But next quarter, coming quarter, you will see a lot of benefit which will be coming. So, unfortunately, we have not benefited from balance sheet point of view. But Rs. 500 crore project is yet to be executed. And you will see a lot of upside during the next quarter and post that.
- Harshit: That's very helpful. One last question from me is around the deposits or investment which have been now reclassified as investment or as deposits, sorry. Is there any provision on those deposits considering those have been provided to the subsidiaries, wholly-owned subsidiary in 2008?
- Gopal Tiwari: No, no, no. It's other way round. In fact, it is reclassified from investments to deposits. So, no, this thing is done because it's basically, it's in the nature of quasi-equity only. So, that amount is going to be converted into equity in the near future. So, there is no provision, nothing has been done against that. That amount is intact.
- Moderator: Ladies and gentlemen, we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.



**Nehal Shah:** Thank you for your participation and engagement in today's call. As we look ahead, we remain confident in our ability to drive consistent and sustainable growth. With solid operational execution, enhanced financial discipline and renewed focus on governance, we are steadily progressing towards the Rs. 1,000 crore revenue milestone. We are excited about the opportunities across the landscape and continue to seek out large complex multi-year orders.

Should you have any further questions or need additional details, please feel free to reach out to our team or CDR India. Thank you once again for your continued interest and support. We look forward to engaging with you again next quarter. Thank you, everyone.

**Moderator:** Thank you. On behalf of Allied Digital Services Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

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