February 10, 2026

To,   To,
Corporate Relationship Department   **Listing Compliance Department**
BSE Limited   **National Stock Exchange of India Limited**
P.J. Towers, Dalal Street   Exchange Plaza, 5th Floor Plot No. C-1,
Mumbai — 400 001   G-Block, Bandra-Kurla Complex,
                                                          Bandra (East), Mumbai- 400 051

Scrip Code: 532875   *Scrip Symbol: ADSL*

Sub: Transcript of Analyst/Investors earnings Call pertaining to Financial Results for the quarter and nine months ended December 31, 2025

Dear Sir / Madam,

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting the Transcripts of Earnings Call held on Thursday, February 05, 2026, in respect of the financial results for the quarter and nine months ended December 31, 2025.

The same can also be viewed at https://www.allieddigital.net/in/earning-conference-call

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

Q3 & 9M FY 2026 Earnings Conference Call

February 05, 2026

Call Duration	• 1 hour 2 minutes and 48 seconds
Management Attendees	• Mr. Nitin D Shah, Founder, Chairman & Managing Director • Mr. Ramanan Ramanathan, Global Head Strategy responsible for Growth, Innovation and Partnerships • Mr. Nehal Shah, Whole-time Director • Mr. Paresh Shah, Global CEO • Mr. Gopal Tiwari, Chief Financial Officer
Participants during Q&A session	• Kunal Bajaj – Choice India • Jyoti Singh – Arihant Capital Markets • Jainis Chheda – Kemfin Family Office • Disha – Sapphire Capital • Prateek Dedhia – Individual Investor

Moderator:	Ladies and gentlemen, good day, and welcome to Allied Digital Services Limited's Q3 FY '26 Earnings Conference Call.
	As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star then zero on your touchtone phone.
	I now hand the conference over to Mr. Mayank Vaswani from CDR India. Thank you, and over to you, Mr. Vaswani.
Mayank Vaswani:	Thank you, Rayo. Good afternoon and thank you for joining us on Allied Digital Services Limited's Earnings Call for the third quarter of financial year 2025-'26.
	We have with us on the call today, Mr. Nitin Shah, Founder and CMD; Mr. Ramanan Ramanathan, Global Head of Strategy for Growth, Innovation and Partnerships; Mr. Nehal Shah, Whole-Time Director; Mr. Paresh Shah, Global Chief Executive Officer; and Mr. Gopal Tiwari, Chief Financial Officer.
	We will begin with comments from Mr. Nehal Shah, who will cover recent developments across the business. Mr. Paresh Shah will then discuss the operational performance and order wins, followed by Mr. Gopal Tiwari, who will walk us through the financial highlights. Thereafter, we will open the call for the Q&A session.
	Before we begin, I would like to point out that some of the statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings documents that have been shared with all of you earlier.
	I would now like to hand over the call to Mr. Nehal Shah for his opening remarks. Over to you, Nehal.
Nehal Shah:	Thank you, Mayank. Good afternoon, everyone, and thank you for joining us today. I trust you have had the opportunity to review the earnings materials that we shared earlier.
	The third quarter of FY '26 unfolded against a complex and evolving global operating environment. Though geopolitical uncertainties remain high, we saw gradual stabilization in Enterprise segments across key markets. This has led to improved visibility in technology spending decisions with continued emphasis on value efficiency and execution certainty. Against this backdrop, we are pleased to report a resilient and well-balanced performance in quarter 3 FY '26, driven by disciplined execution, steady order flows and sustained engagement across both domestic and international markets.

We have reported consolidated revenues of Rs. 247 crore in quarter 3 FY '26, higher by 12% on a year-on-year basis. EBITDA has increased by 11% year-over-year to Rs. 26 crore and PBT has increased by 13% year-on-year to Rs. 22 crore.

As a Master System Integrator operating at the intersection of IT, OT, communication security infrastructure, we are seeing customers increasingly prioritizing integrated outcome-driven solutions over fragmented deployments. This structure shift continues to play to our core strengths.

From a geographic standpoint, our international operations continue to demonstrate improving momentum as the rest of the world operations reported a year-on-year growth of about 26% in quarter 3 FY '26.

In the U.S., Enterprise clients are moving from prolonged evaluation cycles to more decisive and activity, particularly in areas such as network modernization, digital workplace, cybersecurity and managed services.

While budgets remain under scrutiny, there is greater willingness to commit to multiyear transformation programs where there is clear ROI and delivery confidence. Europe remains selective but stable with clients focusing on vendor consolidation and operational resilience, while the Middle East continues to offer opportunities driven by infrastructure-led digital transformation and government backed investments.

India operations de-grew, as reported a decline to stand-alone revenues by 5% year-on-year in quarter 3 FY '26 as there were no significant project milestones which were to be achieved during quarter 3. Activity remains strong and the next quarter, we will see renewed billing as project milestones are completed. The domestic market continues to benefit from the structural tailwinds and sustained government spending on digital public infrastructure.

From a broader perspective, recent policy developments provide a supportive backdrop as we look ahead. The Union Budget has reiterated the government's continued emphasis on strengthening India's digital infrastructure. incentivization of key areas such as data centres, artificial intelligence and data security has emerged as a central theme this year.

These priorities align closely with our business model and reinforce the long-term relevance and growth potential of our offerings. Enterprise customers in India are also showing increasing maturity in their technology adoption with a sharper focus on scalable architecture,

cybersecurity and lifecycle managed- solutions rather than stand-alone capex-led deployments.

This has resulted in a steady flow of opportunities across both government and non-Government segments.

From a segment perspective, our Services business grew 16% year-on year, while Solutions revenue remained flat. Segment-wise, both our Service and Solutions business continue to contribute in a complementary manner.

As we have highlighted in the past, solutions often act as an entry point, enabling deeper annuity-led service engagements over time. This integrated model not only enhances revenue visibility, but visibility but also improves customer stickiness and margin sustainability across cycles.

Reflecting the renewed Enterprise sentiments, revenue from Non-Government customers increased 13% year-on-year, outpacing growth from the Government segments, which reported 12% year-on-year growth. This shift highlights the strengthening engagement and investment appetite among the enterprise clients as we revive their digital transformation plans.

Order flows during the quarter remained healthy with over Rs. 250 crores, supported by a mix of new wins, renewals and follow-on orders from existing customers.

Importantly, we see an improvement in the quality of the pipeline with larger deal sizes, longer tenures and broader scopes that span multiple technologies and service players. While we remain disciplined on margin thresholds, we continue to evaluate strategically important opportunities where scale, long-term energy potential or account expansion can create superior value over the life of the contract.

From a customer behaviour standpoint, one of the defining trends this quarter has been heightened scrutiny on pricing and contracting structures, even as deal activity improves. Customers are increasingly seeking outcome-linked commercial models, tighter SLAs and faster implementation timelines. Our Award cycles remain competitive with sharper negotiations, but there is also a clear preference for partners who can assume end-to-end responsibility from design integration to long-term operation and support.

Our track record, domain expertise and ability to deliver at scale continue to differentiate us meaningfully in this environment.

The other exciting development this week is the announcement of framework for U.S. India trade agreement. This removes the overhang for

the last few months and will draw out a clear path towards incentivizing greater economic cooperation between the 2 countries. With our established presence in the U.S. and integrated execution capabilities across infrastructure, cloud, cybersecurity and managed services, we believe these developments reinforces the long-term opportunity set for Allied Digital.

Overall, while the external environment remains dynamic, we believe the worst of the demand uncertainty is behind us. The gradual recovery in discretionary spending, combined with sustained public sector investments and increasing convergence of technology domains position us well as we move into final quarter of the financial year. Our focus remains firmly on execution excellence, prudent capital allocation and building a robust diversified order book that supports sustainable growth.

With that, I will now invite Paresh Shah, our Global CEO, to take through the order book, strategic initiatives and outlook in greater detail. Over to you, Paresh.

Paresh Shah: Thank you, Nehal. Good day, everyone, and thank you for joining us. The quarter reflects yet another consistent execution across our global operations with a clear emphasis on delivery, scalability and client outcomes. We continue to strengthen our delivery engine, improve operational efficiency and deepen engagement with strategic customers across markets.

During the quarter, we secured several meaningful order wins and renewals across both international and domestic markets. These wins span multiple industry verticals and service lines, including data-driven platforms, AI-led solutions, infrastructure transformation and managed services. Importantly, the nature of these engagements reinforces our ability to deliver complex large-scale programs while building long-term recurring relationships.

Alongside new wins, we also saw continued traction in multiyear renewals across existing clients, spanning multiple industries, supporting revenue visibility and reinforcing confidence in our execution capabilities. Across these engagements, our focus remains firmly on disciplined delivery, timely execution and value creation for our customers.

To briefly highlight some of the wins during the quarter.

- In India, we secured an engagement with a leading private sector general insurance company where we will support its nationwide retail and corporate insurance operations, enabling reliable and scalable IT services across multiple insurance lines.

- We were also awarded a project by a state-level health care and medical education facility overseeing a large network of medical, dental and nursing institutions.
- As part of this engagement, we will deploy Agentic AI-based WhatsApp chatbot solution to enhance operational efficiency and improve communication and service delivery for citizens, students and stakeholders.
- In the automobile manufacturing sector, a global enterprise operating across the energy value chain selected Allied Digital to implement AI and machine learning-based intelligent video analytics solution aimed at improving production efficiency and strengthening operational performance across its manufacturing operations.
- In the U.S., a leading beverage alcohol company appointed Allied Digital to provide end-to-end support, user support services across its offices, manufacturing facilities and warehouses, ensuring consistent IT support across the distributed footprint.
- We also secured a mandate from a U.S. headquartered global agriculture processing and food ingredients company to deliver the site support services along with technology refresh initiatives supporting end-to-end IT life cycle management across its operations.
- Additionally, a Midwest U.S. retail chain selected Allied Digital to end-to-end IT infrastructure transformation and ongoing support. As part of this engagement, we will operate a 24/7 global service desk in both English and Spanish, supporting employees and contractors across North America.

Overall, these wins reflect the increasing reliance on Allied Digital as its trusted execution partner for mission-critical IT environments, supported by our global delivery model and integrated service offerings.

With that, I will now hand over to our CFO, Mr. Gopal Tiwari, who will take you through the financial performance of the quarter.

Gopal Tiwari: Thank you, Paresh, and good afternoon, everyone. I will take you through the financial performance for the third quarter of FY '26 and highlight some of the underlying dynamics shaping our results this quarter, particularly in comparison to the trends we witnessed in the earlier part of the year.

We are pleased to report continued strong momentum in our business as reflected in robust double-digit growth in top line performance.

Revenues for Q3 FY '26 stood at Rs. 247 crore, representing a year-on-year growth of 12%. This also marks the highest ever quarterly revenue in our history, and we are just about Rs. 3 crore short of hitting our stated

target of Rs. 250 crore in quarterly revenues, and that too, a quarter ahead of our estimate.

On a YTD basis, revenue were Rs. 700 crore compared to Rs. 603 crore for the 9-month period of FY '25. This represents an increase of 16% Y-o-Y and clearly demonstrates the solid progress we are making, and our team remains fully aligned towards achieving the milestone of Rs. 1,000 crore in annualized revenue.

In Q3 FY '26, EBITDA grew by 4% year-on-year basis to INR26 Rs. 26 crore. As our top line continued to expand, we are seeing a parallel increase in profitability as we reported an improved margin in Q3 over Q2.

However, the environment remains challenging with a few factors continuing to weigh on margin.

PBT before exceptional items for the quarter improved by 13% year-on-year basis to INR23 Rs. 23 crore from INR20 Rs. 20 crore in Q3 last year, once again reflecting the upward trajectory in our financial performance.

We are pleased to note that no material provisions were required in relation to the New Labour Codes during the quarter. Our salary structures, which were designed to be employee-friendly while remaining fully compliant with applicable regulatory requirements are well aligned with the new framework.

Consequently, the company has recognized a provision of only Rs. 1.3 crore towards certain limited onetime adjustments arising from the implementation of the New Labour Codes. With the non-recurring nature of these adjustments and in line with best reporting and governance practices, the provision has been presented as an exceptional item. While the amount could have been absorbed within employee expenses, we believe this classification provides greater transparency and clarity to stakeholders.

During the quarter, we have made a provision of Rs. 4.8 crore pertaining to prior year taxation. This has served to increase the tax expense for the quarter. We have reported profit after tax of Rs. 14 crore in Q3 FY '26. If we adjust for this tax pertaining to the prior year of Rs. 4.8 crore and the exceptional item of Rs.1.3 crore due to their one time nature, the adjusted PAT would have been about Rs. 20 crore, which is reflective of the improved scale and progress of our operations.

In summary, Q3 FY '26 showcases that we continue to build scale and maintain financial discipline in challenging pricing environment. With a healthy order book and improving visibility on execution, we remain

confident in our ability to deliver sustainable and profitable growth over the coming quarters.

With that, I will now hand over the call back to the moderator for question and answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Kunal Bajaj from Choice Institutional Equities. Please go ahead.

Kunal Bajaj: Yes, hi. Good afternoon. Thank you for the opportunity. So mostly, I had 2 broad questions. Firstly, when we see the order book of around Rs. 250 crore. So, when we try to split it up, it is mostly from the Enterprise side. We do not see any major order wins from the Government spending side. So how do we see this going forward?

And are we seeing the fact that the government are a bit cautious on spending on Smart Cities? Or is it that they are delaying their expenditure? Any particular reason for that? So that is one.

And the second is around the Solutions and Services mix. Obviously, we know that Solutions is the first leg of the contract we generally get. And that is why we see the Services revenue is mostly growing a bit better as compared to solutions because we see that most of the deal wins, we had have moved on from the Solutions end to the Services end. So, how do we see the mix going forward over the next 2, 3 quarters? Yes, that are the broad 2 questions I have?

Nehal Shah: Thanks, Kunal, for the questions. I think the Government orders are typically are large orders and they take time once we have the whole bid process going on. While we are talking, -- you are aware that Maharashtra underwent elections or different municipal elections and stuff and a lot of the orders that were in the pipeline were delayed for that reason for the last quarter, but we are seeing a lot of movement happening, bidding going to the next stage of financial opening and stuff. So, we see a lot of progress happening there.

And the next 2 months are going to be crucial because while we are talking, there are a lot of bids that we have submitted and waiting for the bids to open up. Typically, in the rest of India also, the case is that wherever there is a pipeline which is available and where we are bidding, the evaluation of those the projects are on, and we are expecting there also some movement to happen.

But our focus typically for the current quarter and the next quarter is going to be for the Western Railways, metros and Maharashtra as a state. So, we see a very healthy pipeline coming in there, and we will see some

kind of announcements coming in of order wins if we win some of them in the next 2 months.

And regarding Solution and services split, the mix is always going to be there. We would eventually want our services revenue always to be higher because that gives a lot of stability in terms of revenue recognition. But Solutions gives us that X-factor mix where it also helps us in getting the top line vis-a-vis also making sure we are working on large projects and then eventually converting into services business.

So that mix is going to be there. This quarter was a little bit slow because even the projects that we are implementing, the current project, which is being implemented, Pune also saw some delays with request to the implementation due to the ongoing elections. So permissions for deployments were a bit delayed. And that is why there was a little slowness for this quarter.

However, as you are aware, elections are once in 5-year thing, and it is not a thing that happens every quarter or every year. So, this was very seasonal and onetime. You will see a lot of movements happening. While we are talking, I mean, there is a lot of progress that is happening on the ground after the elections were done and things were moving ahead. So, we see a lot of milestones for Pune project also getting closed by March 31st.

Kunal Bajaj: Got it. So mostly, as in we see the majority of the uptick, which we see in terms of margins. So, is it safe to say that this is because of the higher exposure of the Services mix and it is a onetime thing going forward when we have some traction in the Solutions business, as in solutions part of the business, the mix might cool off? Is it safe to say that?

Nehal Shah: Yes, absolutely. So, once we have this Solution business coming in, we will have that mix getting cooled off. And as you are also aware that we had won an order about a quarter back of the largest pharma company in Europe. Even that has started getting us revenue getting recognized. So, you see that kind of a jump coming in from the Services side as well.

So that is also helping us making sure that Services revenue keeps on increasing.

Nitin Shah: Services revenue will always be higher because Solution revenue will be only for the year where we deploy Solution and that culminates into services revenue. So, that pipeline is always going to be very high when it comes to services business. Typically, it is a multiyear contract that we sign up. And Solution business is just 1 year.

Kunal Bajaj: Sure. That is helpful. I wanted to check on the fact that we obviously have given an outlook on the quarterly run rate of around Rs. 250 crore. So

mostly, as we see this quarter, we are almost Rs. 247 crore. So, going forward, we see this growth rate to sustain? And mostly on the margins front as well, is there any outlook we see going forward on that front?

Ramanan R: Yes. So overall, our strategy is bearing fruit and dividends as we have stated in the earlier calls also. There is a tremendous focus now on AI-enabled infrastructure services, Smart Cities as well as technology management. There is also a growing need for Agentic AI solutions, whether it is in edge AI or whether it is in application development or whether it is in the infrastructure management.

And also, the Indian government has now through all the FTAs and through the renewed focus on India AI mission, GCCs and AI data centers being encouraged to be established in India, we are in a sweet spot in terms of being in the right area and the right technologies and in the right service capability.

So, all of these are going to play an important role in the growth of ADSL going forward. We are increasingly getting services businesses from the enterprise sector. We are also getting it from the international market. And the growing importance of cybersecurity is, again, another area of our focus for the last several years. And now we are seeing increasing demand in these services.

So, with this business trends and technology trends accelerating in the marketplace, ADSL is well positioned to leverage and capitalize on the demand from the market and be able to, therefore, grow in a significant manner over the next couple of years.

Kunal Bajaj: Sure. And one more last question from my side, please, if you may. Over the press release, we see that you have mentioned about data centres. So, what exactly are we doing in the data centre space?

Ramanan R: So, the opportunities in data centre are multiple. And while I will also have Rohan and Mr. Nitin Shah respond. But the data centre, there are 3 areas that is happening. One is there is a growth of data centres in India itself. There are going to be sovereign data centres being set up. And therefore, data centres will have to be implemented. They all have to be managed and also the cybersecurity-related elements for these data centres will have to have managed services associated with it.

The second is that there is more and more intelligent infrastructure being implemented and these are edge AI applications or Agentic AI applications that will need to be harnessed in order to manage the infrastructure intelligently and bring automation in the management of these, whether it is servers, networks, end devices and so on.

And the third aspect is, of course, on top of this, there will be a number of AI-based services that will come up, and that is the opportunity that we are also looking at. Mr. Nitin Shah, if you want to add anything more to this?

Nitin Shah: Yes. We had been building data centre for almost last 30 years. For several corporates we have built. So, we have got a complete capability of designing, architecting, building data centres. And that is what our sweet spot is. So, there are data centres which are owned by somebody else, large players and there they give provisions of infrastructure to the clients. So, we do not do that job, but we rather operate also on their behalf.

So, build, own, operate and transfer. So, we are into the build of data centres, operation of data centres and manage data centres. That is our job is. We are not going to be typically compete with the large data centres like Adani and Ambani and all.

Nehal Shah: So Kunal, I hope you got the point. Typically, our expertise lies in architecting, designing and implementing a data centre. We have done that for about 15 cities across India. And our core competence lies in implementing data centre rather than owning the realty space and making a data centre and giving hosting service to our clients.

Kunal Bajaj: Yes, definitely. So, we do have any projects which are in pipeline for this space?

Nehal Shah: Yes, there are a lot of projects. Any Government or Smart City, safe city project or any railways project or anything of that sort that we take up are all having data centre by default inbuilt in those RFPs. So, there are a lot of government projects that are there where data centres need to be built up.

Apart from that, there are a lot of enterprise customers who have requests either to manage their existing data centres or help them in migration of their on-prem data centres to cloud data centres. So, this kind of requirements keep on coming in, and this is our core competence.

Nitin Shah: I will review very briefly; there are 2 games. One is game of skills. The other one is game of money. So, we rather would like to remain to play game of skill, which is where we are. Game of money, we are not in that, that you just own real estate and own data centre. But I mean, a lot of things that has got to be done after you build the data centre in terms of migration, digital transformation. So, all that we do for a client.

Paresh Shah: Just to add, you must be aware of the recent budget policy on cloud services tax holidays. So that is a big announcement. We have an

international entity can bring in the U.S. customers cloud services and manage that out of the India-based data centres, especially GCCs and a lot of customers are moving into that. It gives a great opportunity for us to deliver managed services through these new data centres.

Moderator: Thank you. The next question is from Jyoti Singh from Arihant Capital Markets. Please go ahead.

Jyoti Singh: Yes, thank you for the opportunity, sir. So just a follow-up question from earlier participant, you were explaining about the data centre for the Smart City thing. But not similar on that, but on the Smart City side, one big player in the IT, those who are invested in the Smart Cities, but they are not seeing the kind of margin we make in other segments. It is a way lower margin in the Smart City things. So, what kind of margin we make in this business, I wanted to understand, sir?

Nehal Shah: So, Jyoti, the margins typically, whenever you are in an implementation phase, since there are a lot of products being deployed across the Safe City/ Smart City, the margins are pretty lowered. But when you are in the implementation and the O&M phase, that is when the margins shoot up. So that is why what we call in our parlance as Services revenue.

So, once you move out from a solutions space to a Services revenue, your margins keep on improving. So yes, if somebody is a player who is only doing the hardware business, they will have single-digit margins, but a solution provider like us who does end-to-end from building a Smart City to managing it for a period of 5 years, will have improved margins overall in the tune of double digits upwards of 20% overall when we complete. And I am talking about gross margin, when we complete the whole project.

Jyoti Singh: Okay. yes, sir. And on the revenue side in 9 months, we have given around Rs. 700 crore. So what kind of growth band should we expect going forward in FY '27? It will be low teens or mid-teens kind of.

Nehal Shah: So yes, we are looking at mid-teens to be a little conservative.

Jyoti Singh: Okay. And this is largely driven by any project, if you can talk about that we are expecting going forward? And also earlier, you mentioned on the government project side. So, what kind of improvement we are seeing because now DSO has improved to 75 days. So, are we seeing this will going to sustain on the government and large enterprise exposure, it has been increasing? Or what are your thoughts?

Nehal Shah: No. So, DSO and other things from a delivery perspective, we do not see a challenge. They are pretty decent. There are sometimes certain delays that keep on happening, but that is very seasonal and transactional,

which are manageable. We are not seeing any kind of uneasiness in getting our monies from the Government.

With respect to future projects, I think the mid-teens will be a conservative growth target that I would want to give out. The reason is beyond the macroeconomic conditions that we also have to keep in mind. But having said that, the pipeline looks strong. Our strategy of acquiring new customers looks bang on because there is a lot of strong pipeline with respect to Government orders, Enterprise customers and global customers as well.

It is all depending upon the closure. And for us, at the size that we are, if one large contract comes in, our growth numbers could change from mid-teens to mid-20s. You know, it is a question of hitting out on large contracts. And the pipeline, I am assuming in the next 2 or 3 quarters, we will see better and larger order wins coming in.

Jyoti Singh: Great, sir ! As now we are getting a lot of buzz around AI. So, I am going to ask some question on that front. So, what percentage of FY'26 revenue are AI influenced versus AI native? And how is monetization structured in each case, if you can explain? And are AI-led deals margin accretive from day 1 or do they dilute margin initially before scaling? So just wanted to understand your perspective and which are the segments that we are implementing AI for us?

Paresh Shah: Yes, great question. Let me just update you. You know, we have adopted AI-first strategy. So, every Services of our organization will be embracing AI and delivering part of that solution or service as AI-enabled. As you know, we have also developed our Agentic AI platform. We are also working on several Agentic AI platforms, commercial platforms like Microsoft Copilot and Google Gemini. We already had a couple of deployments already running today with our customers as well as an internal operation.

Today, our NOC drives AI Ops as part of building complex solutions and resolving critical issues using our own AI engine. So, we see tremendous traction in terms of usage of AI over time. And if I look at it, definitely, there will be more and more percentage of AI getting significantly contributing in the coming months. That is what I see. I cannot exactly give you any percentage, but it has become now ingrained into every services. So definitely, there will be a portion of AI. And today, we have won a few deals this quarter also. You can -- I already talked about it, at least 3 deals of them are already leveraging AI to some of the other extent.

So, this is what we see that the AI traction is real. Obviously, their benefits to the customers is little bit slowly seen. Right now, a lot of customers are taking this as proof of concepts but solidifying the use.

And you know there will be a stage where they will see that yes, it has also impacted the ROI today, okay?

So once that is true, we see that at every kind of sale or every new customer, going forward definitely there will be use of AI. And this will be a contributor, big factor for us in the revenues. And what AI does is basically today, you know, saves employee productivity, especially automation. The AI generates an automation opportunity, and this is where we are moving fast to see how we can, kind of give value to the customer as well as improve our profit margins.

Nitin Shah: AI is so much integrated to our existing business. It is very difficult to give kind of numbers how much did we get on AI because it is completely integrated with our solutions. But we try to put AI in almost all the solutions that we provide. And our company is completely ready to face any challenge on AI.

Jyoti Singh: Okay. Great. Thank you. And sir, one last question. How does the net new client contribution in FY '26 compare with '25 in terms of revenue depth and contract duration, if you can explain on that side?

Nehal Shah: So, revenue from last year to this year, net new revenue has gone up. You would have seen our order releases that we did. We have announced Rs. 1,000 crore worth of just 2 wins that we had this year. So typically, when we go in the coming 2026, 2027, we see a lot of this billing happening. So net new order wins are going up, and we are progressing towards renewals as well.

So, renewals are happening. We have about 90% plus renewals that we have been able to do and net new business has also gone up. So I do not see that as a challenge. And this will continue to make sure that the momentum is high, which is also reflecting in our revenues. Our revenues have also grown considerably if you just go 2 years back, what we are at today.

Moderator: Thank you. Before we take the next question, a reminder to participants that you may press star and 1 to ask questions. The next question is from Jainis Chheda from Kemfin Family Office. Please go ahead.

Jainis Chheda: Sir, I want to draw your attention to the audit qualifications that have been made in the audit note. So, can you just give us some light on what is happening with respect to inventory receivables and the unbilled revenue part?

Gopal Tiwari: See, I would like to explain that. In fact, these notes, the points are not new. In fact, last March onwards, these similar points are coming continuing. These are a few things which we have realized, we have accepted their points, and we are seriously working on that to rectify

those points. So, one is your physical verification they have pointed out, physical verification of fixed assets and inventory. That process is on.

We are doing it ourselves, and we have appointed a third-party valuer also. So, we are contemplating to complete that entire process by 31st March, I mean, by year-end, this financial year-end. So whatever outcome will be there of that verification and the exercise, we are going to take care of that by end of the year.

Nehal Shah: Yes, Jainis, just to add to this, the inventory typically is taking a lot of time. The reason is because we are in the business of AMC. And a lot of our inventory is put across various office locations and also at customer sites. So, the auditor is wanting us to do physical verification of all the assets to be done through a third party. So that process is on, and I am pretty sure that we should be able to complete the process by 31st of March 2026.

Gopal Tiwari: The debtors part, there are a few debtors receivables lying in our books, which are more than 3 years old. But those are all under consideration, and we are constantly in touch with the customers. And we are expecting payment out of that, but it might take a little longer time. But however, we have ECL provisions we are making as per the ECL policy.

So that also we are going to relook into by year-end. And any new policy implemented by the Board, we will adhere to that. And whatever impact is required to be taken will be taken in the books by 31st March. So those are all under consideration, and we are actively working on that to clear those points highlighted by the auditors.

Nehal Shah: So, since we had spent money and we had accounted cost for it, we had also had to take unbilled revenue into consideration. So, we are looking towards the closure on that. And hopefully, there will be some progress over that also coming in. So, we have set an internal target of about 31st March to have most of these things cleared or at least have a strong conclusion of how things are going ahead.

Jainis Chheda: So will all of these things lead to an impact in the P&L once again before the year-end because the same thing happened last year also in Q4, where there were forex-related issues. So, is that same thing going to repeat in this year?

Gopal Tiwari: Not exactly. Last year was some unusual and some legacy items were there and old matters, which were highlighted by the new auditors. So, this is not going to be of that scale. But definitely, whatever impact will be there, it will not be of that level. But we will take corrective measures in this year itself, most of the points.

Jainis Chheda:	Okay. And sir, in the P&L also, there is previous year taxes, which have been charged. So, what is that about?
Gopal Tiwari:	Yes. That amount pertains to earlier period. Earlier period provisions were made, but actual tax outflow were more than that. So that amount we have to take into account, and we have taken that amount in this quarter pertaining to earlier period. So, if you take out that amount, then current year would have improved by that amount.
Jainis Chheda:	So that is where the challenge is that there is a lot of volatility in net earnings. So that is a bit of a challenge as an investor. One more last question from my end. You are talking about consolidating your U.S. subsidiary into you. So, any comments on that?
Nehal Shah:	So Jainis, the subsidiary that we had acquired in the U.S. was run through one of our companies that we had opened up as an SPV, Allied Inc. So typically, what had happened in that transaction is that we had given a loan, a fund was provided from Allied India to Allied Inc., which is a U.S. company and Allied Inc. had acquired about 30% stake of Allied LLC, which was called as En Pointe Global Services. Now this was always in the virtue of an investment.
	However, since it is shown as a loan in the books, we have to get the money back. And the way to get the money back is to close the SPV and have all the shares transferred of Allied LLC to be transferred back to India. So, this typically will resolve all our outstanding issues that we have in terms of the first qualification that we have got. Since it was an investment which was done to acquire a company, it was quasi-equity.
Gopal Tiwari:	Quasi-equity. In fact, that is why no interest was charged in last years. So, we are planning, we are working on it so that this loan amount can be converted into equity finally by 31st March. So that this qualification will also be removed permanently.
Jainis Chheda:	This is also expected by end of this year?
Gopal Tiwari:	Yes, yes. That has to be because then this point will go forever. That loan amount will be converted into equity. So that noncompliance will not be there.
Jainis Chheda:	Okay. One more question, if I may ask. You are speaking that this Q3 has been impacted because of the elections. So, will that lead to any impact in the top line in the near term? Or do you still maintain your Rs. 250-plus crore guidance by end of the year?
Nehal Shah:	No, no, no, the impact is already done in Q3. We were not able to bill out because the permission were not in place and bill approvals were not there since the government elections were going on. Since all of that is over, we are seeing a lot of progress happening there and a lot of billing,

which is supposed to be happening would happen by March 31st. So I do not see that, you know, impacting any of our top line.

Moderator:	Thank you. Participants who wish to ask questions, press star and 1. Ladies and gentlemen, to ask questions, please press star and 1. The next question is from Disha from Sapphire Capital. Please go ahead.
Disha:	Yes. So firstly, coming on to the guidance, I think this year, we are targeting Rs. 1,000 crore. So, are we on track for that?
Nehal Shah:	So, we should be able to do it in the last quarter, if not in the first and second. So, our idea of Rs. 1,000 crore is to achieve Rs. 250 crore quarterly and I feel run rate should be Rs. 250 crore. So, we are at Rs. 247 crore, we should be able to do Rs. 250 crore from next quarter onwards and then keep on improving. So, we might not see Rs. 1,000 crore coming in the top line for the whole year, but we are progressing towards it. So, in the next year for sure.
Disha:	Okay. Okay. That is very clear. And sir, based on the margin guidance, I think last time we spoke, you mentioned that in the next 3, 4 quarters, we are looking to go to 11% to 12% and then next 2, 3 years move closer to the mid-teens. And we have seen the improvement. I think we are around 10.6% this quarter. We expect this momentum to sustain?
Nehal Shah:	Yes, we would want that to continue. And that is possible since as soon as our larger Smart City implementation projects move into O&M, we will see better and improved margins coming in.

But Disha, the problem is that when we have large customer contracts being closed, I think you all should look at the ticket size of the contracts that we are closing in as well. With 700 crore, 800 crore revenue top line, we announced 2 large deals worth 500 crore each last year.

So, when we acquire such kind of large customers, there is a lot of investments that also go in to make sure that we are having the right kind of team ability. And also, since most of these large contracts are multi-country also, a lot of investments go in to do compliance activities there as well. So, any such kind of cost will always try to put a little bit burden on EBITDA.

But having said that, our target from our internal process is very simple to make sure that we keep on acquiring large customers because it give us a lot of long-term stability and then keep on improving on our operational cost. So, while we are constantly improving our operational costs to make sure that our margins improve, sometimes due to some additional cost, the margins do get impacted. So, if you see our gross margins are pretty much improving quarter-over-quarter. |

Apart from that, there are other things also that we are doing. In the U.S., we have also hired a Chief Growth Officer. We are also hiring more salespeople to put more feet on the ground to acquire more direct midsized customers so that our revenues from a midsized customer also keeps on increasing, which will also help us to improve our margins because then we are direct to those customers.

Disha: Okay. Yes. Okay. Makes sense. And sir, currently, you mentioned our focus is winning large customer contracts, right? So currently, with our current infrastructure that we have, what sort of like the maximum order value we can serve right now? And where would we want to see this number going ahead?

Nehal Shah: See, technically, I do not see that as a challenge to even go and do order worth Rs. 2,000 crore, Rs. 3,000 crore. But it has to be a combination of technical and financial capability both. So, if we see that we have to go and bid for a large contract, which is about Rs. 2,000 crore, Rs. 3,000 crore, which we did; we did bid for the Mumbai City surveillance as well. We go with a partner. And contract sizes, which are Rs. 500 crore, about Rs. 700 crore, we would want to do it by ourselves.

So maybe 1 to 2 midsized contracts in the range of Rs. 400 crore, Rs. 500 crore is something which we have an appetite to do it by ourselves. We will continue to do so other than the smaller ones that we keep on getting to the tune Rs. 50 crore, Rs. 70 crore, Rs. 100 crore. But slowly and steadily, we are progressing towards more larger deals. And this is what our strategy is. In the next 2 to 3 years, you should be able to hear good large deals coming in from us.

Disha: Okay. Okay. Fair enough, sir. And sir, just one more thing. Last time, I think we spoke to, there are, also major European contracts that are in pipeline. So, any update on that? And given the India USA, what sort of opportunity you see from that market?

Nehal Shah: So, we did announce, Disha, last year, the large contract that we spoke of. So apart from that, there are 3, 4 good orders, I would not say very large, but good orders that we have got with good customer base that we have already announced throughout the year in our earnings presentations as well. And Paresh has been talking about these wins consequently.

And while we are talking the pipeline that we review every weekly, we also are seeing a lot of movement happening on the weekly pipeline as well, large contracts coming in, bidding for them going on. The only question is sometimes the decision is taken in certain quarters, sometimes the decision is postponed. So, if decision goes our way, then the numbers will improve accordingly.

Ramanan R: Yes, just to add to what Nehal said, if you see, we are steadily growing both our International business as well as Enterprise sector business. Now both these businesses are heavily service-oriented. And therefore, the margins on these businesses, we are continuing to do well or improve on them.

On the Smart Cities also now, the type of projects that are coming up and where we also have the ability to get higher margins is in the Service solutioning part, where there are more and more AI application-oriented solutions that are required.

For example, you may have heard in, there was the declaration by the Maharashtra state that they are going to create an innovation city in Panvel and so on.

Now if we are talking about an innovation city, there is a lot of smart technology which has to go in and also smart solutions which have to go along with that, including water management or electricity management and so on and so forth.

So, these are all opportunities where the margins can improve, not only because of the infrastructure that is being rolled out, but also solutions that we will develop and replicate in many other locations.

Disha: Right, right. And sir, this order that we had won for this pharma company in Europe, what is the revenue visibility from that? And what is the margins there?

Nehal Shah: So, we are looking at a revenue top line of about $1 million a month, about $12 million a year for 4 years. That is close to about $50-odd million. Margins would be in the teens. However, I will have to come back to you with the exact numbers because they keep on changing due to the change in request and other things that keep on coming in.

Moderator: Thank you. Participants who wish to ask questions, please press star and 1. The next question is from Prateek Dedhia, who is an individual investor. Please go ahead.

Prateek Dedhia: Okay. Thanks. So, I wanted to check, you mentioned about a lot of Agentic AI chatbots being implemented across multiple projects and new order wins that you have got. So, I just wanted to understand from an efficiency perspective, does it help to get better margins? Or does it help to lower your cost while you bill the customer with those AI implementations?

Paresh Shah: Yes, absolutely. So, we have successfully deployed for a large FMCG company. And also, we are also doing our AI Ops, which makes a big difference for 50-plus customers in our NOC. So definitely, the big plus point on the AI is 2 areas; one is it improves the productivity of the end

user, especially the Gen Z because they are used to quickly getting solutions.

Number two, over time, the AI basically becomes autonomous, and the automation helps to make sure we deploy lesser people. There is definitely cost savings on our operations, which will lead to improved profit margins for sure.

And the other aspect is we are also deploying AI-based solutions, especially image analytics, computer vision in the Smart Cities. which also gives us a lot of visibility in terms of making sure a lot of scenarios or use cases get covered in that. And it brings a big value both to the end customers and for us to make sure we have a kind of controlled staff to deliver the overall SLAs. So definitely, indirectly, overall, you will see a good improvement in the profit margins.

Prateek Dedhia: Okay. Got it. Sounds good. And I think it was probably a couple of quarters ago that you had mentioned that there were a lot of Smart City projects that you had bid for across multiple cities and different states across India. So, can you give a status of where we stand on that?

Nehal Shah: No. So, Prateek, we were saying that there are a lot of opportunities that were there coming in from different cities, and we will pick and choose the ones that we want to bid for. And we continue to do so. While right now, our focus from a state perspective has been Maharashtra because we have good connects, and we have done too many projects in Maharashtra.

Apart from that, we have also changed our focus towards railways because we are seeing a lot of contracts coming in from railways after the Supreme Court order of making sure that all the railway coaches across India have CC TV surveillance and monitored through a command-and-control centre. So, a lot of these RFPs for Western Railway are coming in.

And we have already close to, if I am not wrong, we have already bidded for about 3 of those Western railway contracts. There is another Safe City, which is happening at Noida for which we are waiting for the RFP to come in, which should be coming in soon, and we will bid for it.

Mumbai City Surveillance, we bidded for it. Unfortunately, we could not win it with a partner. There was another company that won and got shortlisted. And apart from that, there is one that coming up in Maharashtra. MIDC, there are 3 more MIDCs that are preparing RFPs while we are talking for the Safe City. So, we have done the Taloja Safe City, which was an MIDC, Taloja MIDC.

And similar to that, there are 3 more MIDC cities that are coming in for Smart City. So, these are all in the different stages. Some are in the pre-RFP stage, some are in the RFI stage, some are in the RFP, and some are post bidding stage. So as and when there is any milestone that we achieve from an order win, we keep on announcing to the stock exchange to make sure that all our investors are aware of any material information that needs to be informed.

Paresh Shah: Just Prateek to add, as we have now good insight into Smart Cities over 10 years now in implementing large-scale solutions, close to 16 cities across the country, we have stretched ourselves into public place technologies, as Nehal mentioned. What this means is because every government infrastructure is in digitization phase. So Western Railways is one example that he talked about. But we now see a lot of opportunities on infrastructure, automation, modernization for several government initiatives for it. So, we see that as a big opportunity. And as per our learnings from the Smart Cities, we become highly eligible for these projects.

Prateek Dedhia: Got it. Okay. And when you speak about the railway projects, so in terms of the construct of the contract, it will be similar to what you had in the Smart City, right? So, you have the Solution part being implemented at the start of the contract and then you have the Services part. Is that understanding, correct?

Nehal Shah: Absolutely. Yes, yes. Correct. Absolutely. See, only this time, the Services could be a little lower than the ones in the safe cities margin because railways is pretty straightforward and standard. You do not see a lot of changes like you have in the city space. So, it is going to be a little lesser. But yes, the construct is the same. It is solution, designing, implementation and maintenance.

Paresh Shah: So in short, we have broadened not just Smart Cities, but more broader public place technologies. It can be airports, it can be ports, it can be railway stations, several other opportunities.

Prateek Dedhia: Okay. Got it. And in terms of services contract duration, so suppose Smart City has 10 years, this probably would be 5 years, 7 years. Is that correct?

Nehal Shah: No. So even safe cities, Smart Cities are also 5 years. Typically, they are 1-year implementation and 5-year O&M, and all these contracts are done in the same fashion. In some cases, if the infrastructure and all is good, we do get extensions for another 5 years. So ideally, the first time that you get the contract is 1% always.

Prateek Dedhia: Okay. Got it. And my another question in terms of gross margins. So, you mentioned that gross margins have been increasing, but due to Solution

implementation, we have not seen the translation happening on the EBITDA level, so which probably would come down in the coming quarters, is it correct?

Nehal Shah: That is right.

Prateek Dedhia: Okay. Got it. And one suggestion. So while you have been mentioning about order wins on the Enterprise level, is there a possibility of making it public while you get that order similar to what you probably would get at the Government level? Because we have not seen announcements happening for Enterprise level on that much.

Nehal Shah: Yes, yes, you are right. So, Prateek, what we have done is that we have kept a threshold. Unfortunately, with the growing top line, the threshold for announcements have also gone up. We typically have a threshold of about 10% of our top line. So, any orders now that we get above Rs. 100 crore or maybe Rs. 90 crore will be announced. The smaller sized ones are not going under the stock exchange, but we keep on adding and announcing it through the press release quarterly.

This year, due to various elections and other things, it was a tad slow in acquiring good government customers. But with the RFPs and the order bidding that we have done, we see that by March 31, you will see some wins and some announcements coming from our side for sure.

Prateek Dedhia: Okay. Yes. That I understand on the government side. But on the enterprise, private enterprise level, also, if you could make those announcements public, then that would be great. Rather than waiting for the quarterly press release, we could be informed on a regular basis.

Nehal Shah: Yes, yes. So, if it does meet our threshold guidelines, we do announce through the stock exchange. If the value is higher, because generally, what happens, I will tell you, Prateek, the government orders are bigger in number. Enterprise are smaller, but are very, very lucrative, and we get a lot of farming opportunity inside. So, I might enter a customer with a Rs. 10 crore or Rs. 12 crore kind of an order, which I find it difficult to announce every order in that scenario.

But when we are inside, we see through farming, those customer revenues going up. And that is, I think, the strategy that most of the big companies also have, where you enter small and then you farm and you grow the customer, the same strategy that we are applying. So, any wins that we do, we make sure that we are announcing quarterly to make sure even if it is a small order, but it is very strategic to us, we keep on announcing.

Moderator:	Thank you very much. That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.
Nehal Shah:	Thank you for your participation and engagement during today's call. In closing, I would like to reiterate that we remain excited about the traction and momentum in the business and are looking forward keenly towards achieving our target of Rs. 1,000 crore annual revenues in the near future.
	For the past few years, we have undertaken a comprehensive transformation across multiple dimensions, including governance, transparency, human capital, leadership, development and our sales and marketing framework. These initiatives are strengthening the foundation of the organization, making it more agile and resilient and ensuring that our growth remains sustainable, well balanced and not defined by financial performance alone.
	If you have any additional questions or queries, further information about our company, please feel free to reach out to our team or contact CDR India. We appreciate your continued support and confidence in Allied Digital. Thank you.
Gopal Tiwari:	Thank you.
Moderator:	Thank you very much. On behalf of Allied Digital Services Limited, that concludes the conference. Thank you for joining us, ladies and gentlemen, you may now disconnect your lines.