"Pelatro Limited
Q1 FY27 Earnings Conference Call"
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Moderator: Ladies and gentlemen, good day, and welcome to Pelatro Limited Q1 FY27 Earnings Conference Call, hosted by ORIM Advisors Private Limited. This conference call may contain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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I now hand over the conference to Mr. Ayush from ORIM Connect. Thank you, and over to you, sir.

Ayush Jadia: Good afternoon, everyone, and warm welcome to all of you. I am Ayush from ORIM Connect representing the Investor Relations from the team of Pelatro Limited. On behalf of the company, I would like to thank you all for joining for the quarter 1 FY27 earnings con-call.

We are joined today by the company's senior management team, Mr. Subash Menon, Chairman and Managing Director of the company; and Mr. Sharat Hegde sir, Chief Financial Officer. Thank you for taking the time to join us today.

I would like to hand the call over to Mr. Subhash Menon-ji for opening remarks. Following his address, we will proceed for the question-and-answer session. Over to you, Subash sir.

Subash Menon: Thank you very much. Good evening, everybody, and thanks once again for joining the call. We have a deck, a presentation which we will go through. This is available on our website. It was also shared with NSE, so all of you I presume have access to it. Several slides of this particular deck are old or kind of repeated from earlier sessions.

Given that, we will not go through every slide as in we will not detail every slide because those are repetitions. However, if anyone is new to this call and needs some more clarity on some of those slides which we will not be going into in detail, please ask us during the Q&A session.

So with that, I would like to get started. The first slide, I mean that's Slide number 3 on the deck, that's about the company. You all know we are a telecom software company. We operate in two divisions, CVM division and Estel division. And as we speak, we work with about 46-odd telcos spread across 35 countries and we provide a variety of solutions. We've got 7 to 8 solutions from the two divisions put together.

And we also have several patents. We are a highly tech-focused company which means we invest a lot in technology, we bring cutting-edge technology to enable us to offer excellent products to our customers. We are almost 500 people in staff strength. That has not been increasing because we have really been using AI quite a lot these days to ensure that the increase in number of people is limited.

I move to the next slide, which is the global presence slide. This shows the countries where we are operating. And then when we move to the business overview section. It's largely financials initially and I will let Sharat, who is the CFO, handle those few slides before I come back for the business part of it.

Sharat Hegde: Thank you, SM. Good evening, everyone. Welcome to Pelatro's con-call. So, looking at the numbers, the numbers for the quarter have given a very promising opening for the financial year. And let's come to specifics.

The revenue from operations for the quarter stood at INR40.22 crores compared to INR26.69 crores in Q1 last year, Q1 of FY26. This represents a 50.69% year-on-year growth in revenue. The EBITDA increased to INR8.13 crores with a healthy EBITDA margin of 20.21%.

Profit before tax stood at INR5.71 crores while PAT increased to INR5.43 crores. The increase in PAT represents a 52.51% year-on-year growth. So as we all can see the PAT growth has outpaced the revenue growth while revenue grew at 50%, PAT grew at 52%. This reaffirms the non-linearity that is present in our business.

Consequently, the PAT margin also has expanded. It was 13.24% Q1 last year and it has expanded to 13.49% Q1 this year. And next is the EPS, which too grew to INR5.12 per share as compared to INR3.42 corresponding quarter last year.

We come to the next slide which gives us segmental details. So as most of you are aware, we operate as two divisions, the CVM Division as well as Estel division. The CVM Division is our continuing business while Estel Division is was acquired in 2025.

Let us look at the division-wise performance. The CVM Division continued to deliver very strong performance reporting a total revenue of INR33.39 crores for the quarter with an EBITDA margin of 22.56%. This reflects continued customer demand as well as the strength of the platform. The CVM revenue grew by 25.1% as compared to Q1 last year.

Just to highlight, the total number for Q1 last year represented completely CVM Division as Estel division started operating only in Q2. So INR33.39 crores on INR26.69 crores last year for CVM Division, which is a 25% growth in revenue.

The Estel Division contributed a total of INR6.83 crores for the quarter and EBITDA margins stood at 8.72%. We are in the process of optimizing the operations of Estel division and enhancing the efficiencies and we expect the profitability of this division to improve over the next few months.

The key financial ratios like the return on net worth, return on capital employed have been gradually improving as well. So RONW improved to 19.76% as against 17.41% for FY26 and ROCE grew to 22% from 20%. The debt-equity ratio too has been favorable. So these are a few key financial numbers that I wanted to highlight to you all. Back to you, SM.

Subash Menon: Thank you, Sharat. We will now talk about the business aspect with respect to the products and what exactly we are handling here. We are on slide 9 at this point in time. Everyone has this question about AI as to how that impacts the business. And there are two areas where AI impacts our business.

One is how we leverage AI to bring in new capabilities and features and functionalities, thereby staying ahead of the curve with respect to our offering, with respect to competition. The second aspect is how we leverage AI to reduce our cost of software development, testing, and related aspects, not just reducing cost, but also reducing the time and improving the efficiency.

So these are the two things, one is on the product side, the capabilities of the product, the other one is on efficiency of operation. As we move to the next slide you will see, slide number 10, that is about the product features. We have added a wide variety of capabilities to our product and we launched those capabilities two-three quarters ago.

Many of our customers are already implementing and some of them have implemented these capabilities. And we believe that because of these capabilities, our position in the market, our competitive position in the market that is, has improved considerably. So when we go to customers and offer them these capabilities, naturally our product becomes a very attractive one for them.

Traditionally, we have been rated very, very high technically. In fact, generally in most RFPs as the best technically and we are continuing on that path. Actually, we are increasing the gap between us and the competition with the addition of these features and functionalities. The next slide, which is slide number 11, is how we are leveraging LLM and other agentic AI aspects in reducing the time to market, reducing the cost to develop, etc.

The effect of this will actually be known or quite visible only in the next financial year because it takes time, but internally we can see it starting to impact and you will actually see that in numbers in the next financial year.

So we are moving forward quite well, in a very good manner, on both fronts with respect to bringing capabilities and leveraging AI to reduce our time and cost and increase our efficiency and accuracy and all that.

The next slide is about the product in the CVM division. There are five products and a set of services which go around that. I will move to the next one and that slide number 13 is about the products in the Estel division. We have got three products there and again a set of services, managed services which go along with that.

So these are the two sets of products which are offered by the two divisions. And with that, we reach the revenue model slide. I will hand you over to Sharat for the next couple of slides and I will come back to you on the market size slide.

Sharat Hegde: Thank you. Our revenue is basically split into two main buckets. One is repeat revenue and one is one-time revenue. The repeat revenue further has recurring revenue and reoccurring revenue.

Recurring revenue are those which are contracted and which recur at fixed intervals like monthly, quarterly, half-yearly, yearly depending on the contract.

And the main items under recurring revenue are monthly fixed license fee for those customers who have taken up the license subscription model and apart from that, there is AMC for all the license contracts that that are running which again is a recurring item. Apart from the monthly fixed license fee and AMC, we do have managed services.

Managed services are basically the IT operations, the business operations and business planning. So these are the recurring revenue items. Then there is reoccurring revenue which is mainly change request which are basically customization requests by the customers which although are not contracted, do keep coming in every now and then because the customer requirements keep changing and keep increasing.

So both these put together are called repeat revenue which basically gives us a better predictability of revenue and better visibility on future revenue. Apart from repeat revenue, we have one-time revenue which are straightforward which are basically the license and implementation of such licenses.

The next slide gives us revenue bifurcation for the period in comparison with last financial year. So for the period, the revenue bifurcation has been the recurring revenue earned was 62% of the total revenue. Reoccurring revenue that is the change request was around 35% and one-time revenue was 3%. So while this ratio may not remain same, this keeps changing depending on whether we get a new license contract or not.

So for the quarter, th repeat revenue was slightly higher due to various change requests coming in, which may not be the case in future. However, we expect the repeat revenue to be upwards of 75% which is a good mark for revenue visibility. So that is on revenue bifurcation. The next slide talks about growth story. Back to you SM.

Subash Menon: Okay. Thanks, Sharat. The next slide is about the number of customers we have and how many of them are using managed services. Currently, we are at about 46 customers as I stated earlier and 31 of them use managed services from us. There was a time when it was much lower, but at this point in time, it's almost two-thirds of the customers use managed services as well from us.

Moving to the next slide, which is slide number 17, market penetration and market size. Our focus as you all know is telecom, that's all we do, I mean only in the telecom sector. There are about 450 telcos and our current penetration is 10%. This is not to say that we are selling all of our products to all those 10% or 46 telcos that we are working with.

At this point in time, our penetration is only 1.3 products. Some customers have two products and nobody has three I think at this point in time, so the average falls to about 1.3. The market size, when we look at the potential for all these 8 products across all these 450 telcos, is quite large at INR12,000 crores. This means that we have a very, very long runway ahead of us.

Our objective will be two-fold. One will be to increase the number of telcos we work with and the second will be to go deeper into each telco by selling more products and services. There are multiple levers of growth and they come actually from the key strength that we have, which is the next slide.

The levers of growth: one is the ability to offer end-to-end solutions to our customers, the ability to offer highly differentiated solutions to our customers because of the kind of technology that we have, the ability to create a serious differentiation with respect to our competition from a domain perspective. All these things help us to sell more products, sell more services and sell to more telcos. all these levers can be pulled to increase our revenue.

That brings us to the next slide, which is the investment rationale. On the AI front, we are really doing extremely well on both areas of the impact of AI as I stated earlier. Our market penetration is very good and it's increasing and we will continue to increase our revenue per customer, go deeper into each telco, make our partnership with each telco more meaningful in nature. All those things will continue to happen.

The space that we are in, the market where we are in, there's a very high barrier of entry. The products that we sell are enterprise class, they have to operate at scale at very high scale, actually. New-comers will find it very difficult to enter the market because of the doubt that a telco would have on whether these products will be able to really meet their expectations on features, functionality, scale, all kind of things like that.

So the barrier to entry is quite high and that's good for us. We have got great visibility and predictability because our sales cycle is about 10 to 12 months, our implementation period is 6 to 8 months. Given all that, if we have not already won the contract by now or maybe in the next one or two months, we cannot execute during the year.

This means that most to the business for a particular year will be contracted fairly in advance. As we speak at this point in time, about 100% of our expected revenue for '27 has already been contracted by us. So our visibility for this year '27 is absolute, it's 100%, it's full. We will continue our strong and profitable growth.

We have always stated that we will grow at about 15% on the revenue side, that will continue to happen. And we have also stated that we will keep having non-linearity or improving non-linearity in our business which means profitability will keep increasing and that will also happen. We have had a very good run over the years and that seems to be continuing.

The next few slides are essentially the numbers, Sharat has already given you an overview of those numbers. If Sharat has anything else to add, he can and after that we will throw the floor open to questions.

Sharat Hegde: Thank you, SM. So Yes, as mentioned the next few slides are detailed income statement, balance sheet, etcetera. We have already gone through all the key income statement numbers, the P&L numbers.

On balance sheet just to highlight a few things. The shareholders' equity stood at INR109.88 crores giving us a strong balance sheet base and debt equity ratio remained at around 0.13% which gives us adequate financial flexibility to support future growth initiatives. The DSO also has slightly improved to 124 days as on 30th June from 127 days as of 31st March.

Cash has increased to INR16.17 crores as compared to INR15.19 on 31st March. So these were few other highlights apart from what we already spoke on P&L. I think with this we can throw the floor open for question Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Disha from Sapphire Capital. Please proceed with your question.

Disha: Hello? Am I audible, sir?

Subash Menon: Yes, you are.

Disha: Yes, thank you so much, sir, for this opportunity. Couple of questions. Firstly, sir, on the Estel side. In the PPT, you have detailed out how like we are trying to make the EBITDA will reach to the CVM division's EBITDA around 22%. Could you elaborate a bit more on what would be the drivers here, what sort of initiatives are we taking?

Subash Menon: The most important thing there is higher revenue and we will see that happening this year to some extent and to the fullest extent next financial year. The cost will not increase in line with revenue. We are taking care of that. So with increasing revenue in FY27 and even more in FY28, we will reach that percentage of EBITDA in the next financial year. We will improve this year and we will reach that number next year.

Disha: Any exit rate, sir, we were targeting for Estel division for this year?

Subash Menon: Any what?

Disha: The exit rate for EBITDA have you targeted this year?

Subash Menon: We do not share, numbers in advance as to what we are targeting and stuff like that. Our target is to get to the CVM kind of EBITDA number by next year.

Disha: Okay. Fair enough. And sir, next thing coming on to our growth. I think you mentioned 15% revenue growth, but in this quarter itself having our growth has been around 50%, so are we being conservative or how should one look at that?

Subash Menon: Well, I have always believed in being conservative, when numbers are shared.

Sharat Hegde: Yes, just to add to that, the 50% growth is because there is Estel division revenue as well added in this quarter which was not there in previous year Q1.

Subash Menon: But even if you strip that off, organically, Sharat, it is 25%.

Sharat Hegde: Yes. It is 25%.

Disha: The organic growth is still 25%, Yes.

Subash Menon: Yes. Still it's quite high. So we have been conservative and careful.

Disha: Okay. And sir just next thing on our pipeline. How is the overall pipeline looking and what sort of key geographies are we seeing the most traction coming from?

Subash Menon: Geography-wise, we are you know in Asia, Africa, Middle East, all across, I can't say any geography in particular. The pipeline is looking quite good. We do not share pipeline numbers. Suffice to say that it's adequate for us to reach our internal targets.

Disha: And what is our current average revenue per customer currently?

Subash Menon: We have not shared it this time, but it is close to INR3 crores.

Disha: And I think you mentioned in your PPT and in your opening comments you want to take this as what is our target if you could just?

Subash Menon: I can't say we have a specific target with respect to what we have to get to this year or next year because it's not totally under our control. The movement has to be positive, it has to keep increasing. Our target and focus is with respect to total revenue.

Disha: Okay. That is it, sir. Thank you so much. All the best.

Subash Menon: Welcome. Thank you.

Moderator: Thank you. The next question is from the line of Abhi Jain from AJ Capital, please proceed with your question.

Abhi Jain: Hi, am I audible?

Moderator: Yes, you're audible.

Abhi Jain: Okay. First of all, Mr. Menon, I have to congratulate you. I was there on the con-call in the last quarter and given the trajectory of revenue growth that you had shown and the question that I had around AI and how, others cannot build a cheaper AI version for themselves, those have been put to rest, clearly, you are a very focused operator who is very conservative and very bullseye focused on the job. So, congratulations on that. The 25% organic growth as well is quite commendable. I am sure that the current valuation must be making you mad given whatever stuff you are pulling.

Subhash Menon: I do not think about it.

Abhi Jain: No, I get it, but I am just saying that sometimes the tangential is always there. But it's okay, I mean, the market will reward you in due time if you keep doing what you are doing. Sir, can you help investors give us more details about the business in terms of like the presentation is good enough, the annual report was good enough, but still, I wanted to get some more details, some more flavors around what you are doing for the end customers?

The value addition that you're doing, can you just give some brief some more details around it because it really helps understand the company more. How are you so engulfed or how are you so embedded in their businesses and how is it difficult to replace you? That value addition if you can just throw some light to help us understand the business and the competitive intensity better, that would be good.

Subash Menon: I will do that. The solutions that we have are quite critical to the operations of the telco and I will explain how. And naturally when you are critical, then automatically you are adding a lot of value otherwise you can't become critical. On the CVM side, we have got campaign management as our flagship product.

The campaign management solution we have essentially helps the telcos to understand their subscribers better and serve them better. Now what do we mean by that? Today in the telecom world, they are also going after increased revenue, naturally. How can they increase their revenue year-on-year? There are pretty much only two ways to do that. One is increase your subscriber base, number two is increase the revenue per subscriber.

Increasing the subscriber base is not a great option for most of the telcos in the world today because saturation has been reached. Every quarter they may lose some, win some, lose some, win some, it goes on like that, but they can't have a significant increase in number of subscribers because most of them are maxed out. In each country there are like three telcos on an average and everyone has got at least like, 40% to 45% of the market with respect to subscribers.

Now where do they go with that? Across the three, it will be like 140% penetration in every country with respect to mobile connections. So with that, increase in subscribers is not an option for them. The only way they can increase their revenue is to increase their ARPU, revenue per subscriber. And how do we do that?

To do that, telcos have to really understand their subscribers very well as to what are they buying, what would they like to buy, how do you position to them, how do you target them, through which channel do you target, what language do you target in, at what time do you target? Even after you choose a language, what are the exact words, what should the message read like? What will excite somebody?

So all these things mean you have to have a very personalized approach to selling to your subscribers. We call it hyper-personalization at this point in time and that's what our campaign management platform does. It collects all the data that flows through the network in real-time, it processes all of that, and it comes up with the profile of each subscriber and then it helps the telco to target the appropriate people and as I said earlier, at the right time, with the right product, in the right language, through the right channel, all of that is, handled by our platform.

If you don't if they don't have a platform like this, they will be just shooting in the dark. They need this particular platform for that extremely precise marketing through hyper-personalization. That is why we are extremely critical on the campaign management side.

Now look at the Estel side of things. I will talk about the flagship product there first, which is the recharge platform. That is the platform which a telco uses when anybody wants to recharge. Now in India we know, if I take India as an example, about 95% plus of subscribers are prepaid subscribers and all of them have to keep recharging at whatever interval. How do they do it?

I mean they go online, they do a recharge or maybe they go to a shop and the dealer or or the distributor there or the retailer there helps them to recharge. Now this entire process happens on our recharge platform. For example, it's currently used by Reliance with some 500 million subscribers or something like that, every recharge of Reliance happens on our platform.

So on a given day if 10 million people or 40 million people are recharging on the Reliance platform, on the Reliance network, that's happening on our platform. If our platform stops, they can't recharge. The revenue goes for a toss. Many people have multiple SIMs, right? So if I try to recharge on Reliance and if that doesn't happen, I will go and recharge on Airtel because I have got an Airtel SIM as well.

That's a loss for Reliance and a gain for Airtel. So every telco has to ensure that their recharge platform is working 24/7 without any failure. That's why we sit in the critical path of the telcos, in the path of their revenue. On one hand what I explained was how to sell things to people, like you sell a recharge to somebody. On the other hand, with the other platform, you help them to actually take that product from you and recharge. So the products we offer are in the critical revenue path of the telcos. Are you able to understand what I'm trying to say?

Abhi Jain: I get it. That that gives us a global view of things but obviously I understand that there would be restrictions in terms of using that proprietary data that you get from each of the telcos and sort of monetizing it or helping other clients, use it in some shape and manner. But can you throw some light? I mean, is there any way in which you can use your because you're a global player, so can you use your global intelligence to help telcos around the world provide certain nuances which is not present in one particular geography per se?

For example, a Jio what it experiences here, right, the problems or the excitement that it experiences from an Indian customer, obviously you can't use verbatim that data and give it to another telco because I'm pretty sure that there will be certain competency, there will be certain conflicts of interest for yours because of which you can't use that globally.

But I just want to understand that how are you using that lev -- that intelligence of a particular geography, a particular customer base, and helping other global players to understand their markets better? So, something on that, I don't know if I'm able to communicate myself better.

Subash Menon: No, I have understood your question. I was waiting for you to finish. So yes, exactly on point. The data is not ours, absolutely, but the learning is ours. So, in every telco when we do things, we learn a lot of things. And that learning is leveraged by us in two different ways. One is to improve our product. When we see a new thing happening somewhere, we make sure that our product has the ability to handle that and then we offer that to other telcos as well.

The second thing is when we go and stand in front of a telco to sell our product, and we tell them we work in 35 countries, their immediate question is what are the use cases that you are finding in other countries? Can you share that with us?

Abhi Jain: Exactly, exactly.

Subash Menon: Because that's our knowledge and we do leverage it. It's like a consultant leveraging their knowledge based on their past experience. On two fronts. One is our product improves because of all the things that we see and so, with every passing day, the product keeps on improving, and it becomes more and more attractive to a new telco whom we're seeing, whom we're trying to sell to or even our existing customer to whom we are trying to upsell to the next version.

On the second part is of course that we are able to guide our customers on various aspects, nuances, etc. and that makes us an even better partner for the telco. Absolutely, we gain from that.

Abhi Jain: Right. And just one final question on this comparison of the consultancy piece. I just want to understand that how are you because in this you know more digital world and this more LLM focused world, I'm pretty sure that yours would be a leaner team or going ahead your employee cost would drastically come down if you know you generally move towards 100% platform or product company.

So, I just want to understand that this EBITDA margin that I'm seeing currently and if I understand the LLM world better, this has a potential of ramping up quite fast because I don't see that when you ramp up your revenues your employee cost should ramp up, it's not a consultancy business which is dependent on human power. Is that a fair understanding? That's what I wanted to understand.

Subash Menon: Our EBITDA will certainly go up, that's why we talk about non-linearity all the time. But it will not increase in perpetuity, okay. At some point in time, it will stabilize. And we expect that number to be about 30%. Because as time goes by, we will have to pay even more to retain people.

If we are attending three trade shows today, in the next five years, we'll probably get to about eight trade shows a year. I mean these things will happen. So, because of that, our target is to get to 30% EBITDA, and then we will kind of stay there.

Abhi Jain: And finally, sir, one last question around the competitive advantage that you build in-house, right, the intelligence that you've built. How are you protecting that? I mean, it's not a very linear world in which you can IP it or patent it or just preserve it. I just want to understand that how is Yes, how is that still a black box for your other employees? Like someone doesn't you know your team doesn't use it, they move out, they use it. So, I just want to understand how are you black-boxing it? If you understand...?

Subash Menon: Okay, no, I don't know what exactly you mean by black box. Let me tell you what we do. I mean, when the learning comes, we have got a knowledge sharing platform within our organization, so the knowledge stays there and everybody has access to it. So even if somebody moves on, somebody else can access that and use that. That's one thing that we do. But if somebody moves then they also carry the knowledge.

I cannot take knowledge out of somebody's head. That's not practical. We use this knowledge also to develop capabilities in our platform which are patented by us. So that is protected. The first thing is about sharing within the organization and ensuring that the knowledge continues. I'm not sure whether I have answered your question, but that's what we do with knowledge.

Abhi Jain: No, okay. So, I understand. So yes, where people leave, I mean, whatever they have seen, whatever intelligence they have seen they can go further use it. Sir, just in this quarter, I don't think I missed it, but what would be your recurring revenue in this quarter? Is that there in the presentation? I think...?

Sharat Hegde: Yes, it's there in the presentation, it's 62%.

Abhi Jain: Yes, okay, okay, fine. That's it from my side, sir. And congratulations on the beat and hopefully your valuation will reflect sometime in the future. Congratulations.

Subash Menon: Thank you very much. Thanks.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please proceed.

Madhur Rathi: Hello?

Subash Menon: Hello.

Madhur Rathi: Sir, so can we expect this one third dividend payout ratio to sustain?

Subash Menon: One third dividend payout.

Madhur Rathi: 33%, I understand.

Subash Menon: It's INR1 per share.

Madhur Rathi: As a percentage of profit, I am talking about?

Subash Menon: Okay, okay. You mean percentage of the profit. No, we have not quite looked at it as a percentage of profit. So honestly, I'm not able to comment about that at this point in time. We will certainly continue to be a dividend-paying company, and naturally our endeavor will be to increase it. To what level, I don't know.

Madhur Rathi: Understood. And basically, if you see our stock price is almost at its all-time low. So, and since the company is quite -- balance sheet is quite strong, any proposal for a share buyback?

Subash Menon: Not at this point in time.

Madhur Rathi: Okay, thanks a lot.

Subash Menon: Welcome.

Moderator: Thank you. The next question is from the line of Abhi Jain from AJ Capital, please proceed with your question.

Abhi Jain: Sorry, just one bookkeeping question. Of the trade receivables outstanding, what part of it is billed and what part is UBR and what contractual event converts this UBR into an invoice?

Sharat Hegde: Okay. INR31 crores out of the total AR of INR50 odd crores are billed and the remaining is contractual asset that is UBR.

Abhi Jain: And when does that convert to invoice?

Sharat Hegde: Basically these UBRs are mainly because we are awaiting POs or in few cases the invoicing is on a quarterly basis or half-yearly basis, etcetera. Few of these UBRs have already been converted into invoices in the current month, and that's how the cycle continues. In the next couple of months, we'll be converting everything into Q2 billing.

Abhi Jain: Just one question more, one follow-up. Do we see this run rate of INR20 crores of UBR? I mean, the quarterly revenue is about INR40 odd crores. This seems a bit high. Do we see this coming down as a percentage of quarterly revenue going forward?

Sharat Hegde: Again, as I said, it depends on when we get to invoice them. So, if there are certain license contracts, etcetera, wherein we have given the licenses and the billing is yet to happen, then probably the ratio will go up. Otherwise, if we have all the billing go-aheads in hand and we have been able to invoice most of the revenues, then the ratio goes down. So, it is very difficult to predict that ratio, but it will be within a controllable range.

Abhi Jain: All right. Thank you.

Subash Menon: You should not actually look at this INR20 crores as out of the INR40 crores revenue this quarter. Some of these UBRs at times take slightly longer because there's an implementation process going on and the revenue recognition is according to that. Some of them may pertain to an even earlier periods, that also can happen. I mean, I don't know whether it's a good answer or a bad answer. You can't simply take that as INR20 crores out of current INR40 crores.

Abhi Jain: No, I understand, that's why I thought that this will come down, that's why I was asking that what will be a steady-state basis of this UBR as a quarterly revenue percentage? Because I also believe that this looks like one-time and this should come down, that's why my question was on that. Yes.

Moderator: The next question is from the line of Amit from RoboCapital. Please proceed with your question.

Amit: Thank you. Thanks for the opportunity. Sir, I joined the call a little late. I just wanted to check if there is any revenue growth guidance for FY27-FY28?

Subash Menon: No, there's no guidance other than we always say that we'll grow at least 15% every year, we normally state that, other than that nothing.

Amit: Right. So just on that, I mean, I saw the similar comment on the last call as well. So, I mean, if I look at the presentation and you know the TAM and our penetration is pretty low, so what will it take for us to grow say 20%-25% slightly higher growth rate than that 15% growth rate?

Subash Menon: Actually, we have always been growing at that rate. You just look at historical growth numbers, it's there only. It's not 15%. 15% is for the projection, that's what we are willing to speak about openly.

Amit: So, is it fair to say that your internal aspirations may be of a higher growth rate at say…?

Subash Menon: You should you should arrive at your own assumption of a growth rate based on historical stuff as well.

Amit: Perfect. That's it from my side. Thanks.

Subash Menon: Welcome. And I would like to just add one small point on the UBR question which came earlier. See when you look at these INR20 crores, I mean when I look at some of these numbers, almost 30% of that, INR6 crores is from two customers in a country where every invoice has to be approved by the government to pay and it will take them months to pay.

So, it is sitting there, it will be sitting there for months and they'll pay at some point in time and the whole process could take 8 to 10 months to pay. Both these customers in that particular country have been our customers since 2016, and they've always paid everything, but only thing is that they have got a time issue there. It is the nature of the business, in some countries that we work in and telecom is a highly regulated market.

In some countries particularly, we've got these kinds of challenges. The telco has the money to pay, but they have to have certain approvals from the government to pay. We just wait for some time to get the money. All these things are there in the UBR. We have completed the work, and we are waiting for their approvals, the moment they get the approvals, we'll raise the invoice and then the money will be paid. That's the process.

Moderator: As there are no further questions from the participants, I would like to hand over the conference to Mr. Ayush from ORIM Connect for his closing comments. Over to you, sir.

Ayush Jadia: Thank you, everyone, for joining today's call on behalf of Pelatro Limited. We appreciate your time and participation. For further queries, please reach out to us at letsconnect@orim.in. Thank you.

Subash Menon: Thank you very much. Thanks, everybody.

Sharat Hegde: Thank you, everyone.

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