

July 10, 2025

To,

BSE Limited

Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Scrip Code: 540735

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051

Symbol: IRIS

Dear Sir / Madam,

Sub: Disclosure of Material Event / Information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Company Update Call.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we hereby submit the transcript of the Company update call held on Thursday, July 03, 2025, at 05:00 p.m. and the same is available on the Company's website.

This is for your information and records please.

Yours faithfully,

For iRIS Business Services Limited

Santoshkumar Sharma

Company Secretary & Compliance Officer
(ICSI Membership No. ACS 35139)

IRIS Business Services Limited

Tower 2 3rd Floor International Infotech Park Vashi Navi Mumbai 400703 Maharashtra India

Tel: 022 6723 1000 | Email: cs@irisbusiness.com | www.irisbusiness.com

CIN L72900MH2000PLC128943 | GSTIN 27AAACI9260R1ZV



**“IRIS Business Services Limited
Company Update Conference Call”**

July 03, 2025

MANAGEMENT: **MR. K. BALACHANDRAN – CO-FOUNDER, WHOLE-TIME
DIRECTOR AND CEO**
**MS. DEEPTA RANGARAJAN – CO-FOUNDER AND WHOLE-TIME
DIRECTOR**
MR. VINEET KANDOI – FINANCE CONTROLLER
MR. GAUTAM MAHANTI – BUSINESS HEAD, TAX TECHNOLOGY

MODERATOR: **Ms. ASHA GUPTA – INVESTOR RELATIONS, E&Y LLP**

Moderator:

Ladies and gentlemen, good day and welcome to the IRIS Business Services Limited 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 conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Asha Gupta, E&Y LLP, Investor Relations. Thank you and over to you, ma'am.

Asha Gupta:

Thank you, Sagar. Good evening to all of you and welcome to IRIS Business Services Company update call. The purpose of today's call is to discuss the proposed divestment of Tax Technology (GST) ASP business.

To take us through the call today and to answer your questions, we have the top management of IRIS Business Services Limited, represented by Mr. K. Balachandran, Co-Founder, Whole-time Director and CEO, Ms. Deepta Rangarajan, Co-Founder and Whole-time Director, Mr. Vineet Kandoi, Finance Controller, and Mr. Gautam Mahanti, Business Head of Tax Technology. We will start the call with a brief overview of the proposed divestment, which will be followed by a Q&A session.

Before we proceed the call, I would like to remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties, and other factors. It must be viewed in conjunction with our business risk that could cause future results, performance, or achievement to differ significantly from what we expressed or implied by such forward-looking statements.

Having said that, I will now hand over the call to Mr. K. Balachandran. Over to you, sir.

K Balachandran:

Good afternoon and welcome to our conference call. Along with me, I have Deepta, I have Vineet Kandoi and Gautam Mahanti. We are holding this call at short notice to talk about the proposed divestment of the TaxTech business of IRIS. I hope at least a few of you would have seen the exchange filings that we uploaded yesterday night post our board meeting.

Now, let me give you a quick summary of the proposed divestment of the IRIS TaxTech business. The TaxTech, or more specifically, the GST-compliant suite of IRIS was launched coinciding with the rollout of the nationwide GST mandate in 2017. Over the past eight years, we have grown to be one of the most trusted and leading providers in the full suite of GST-related compliant solutions to large and medium enterprises.

In the previous financial year, FY25, the IRIS TaxTech ASP business clocked roughly about INR16.35 crores in revenue, while the profits of the segment level came in negative. Now, all of you know that we have multiple lines of businesses, with bulk of the revenues coming from our SupTech and RegTech businesses. The TaxTech business is an interesting offering, clearly, but our realization has been that to scale this business, we would need to invest and operate in the global markets as well. At the same time, the RegTech business opportunity is substantial, and to realize its full potential would need both focus and resources. Therefore, we are taking this call to divest the TaxTech business and double down on growing the RegTech and SupTech businesses, given the availability of capital coming to us in a non-dilutive manner.

If you look at our global competitors in the RegTech business, they do have a substantially higher outlay, deep pockets for sales and marketing, and product development expenses. While being in India offers certain advantages, we do see the need to have a bigger balance sheet size to give us a comfort to spend appropriately in order to build market share and therefore growth.

Now, coming to TaxTech acquirer, Sovos LLC, which is a US-based tax compliance solutions major. They're one of the leading global tax compliance firms, and Sovos and IRIS have a relationship going on for a few years. They're a customer as well. We have an excellent equation, and the leadership on both sides are comfortable with each other as well.

In fact, the entire diligence process with Sovos, which started maybe about four to five months ago, happened very smoothly because of the robust governance processes which already exist in IRIS. We're happy that our TaxTech team will be spreading their wings further with Sovos coming in.

Now, as far as the transaction is concerned, we have given the details in the exchange disclosures. But let me give you a quick summary. The TaxTech business is being transferred through a business transfer arrangement into IRIS Logix, the subsidiary of IRIS. Sovos will be buying 100% of shares of IRIS Logix.

We are holding an AGM on July 26th to get shareholder approval of the business transfer, since it's a material related party transaction. It is our request to you to support the resolutions for the business transfer arrangement. We are very confident that the overall transaction is excellent for the company and will drive value further going forward.

With this, let me give the mic back to the moderator. All of us are here to take questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Yes, thank you for taking the question. Just want to understand what kind of tax implications this would have, if the amount of sale you are doing, what would be the tax outcome?

K Balachandran: So, this is essentially a long-term capital gains tax. So, we expect this to be around 14% of the overall transaction value, roughly speaking.

Lakshminarayanan: Got it. But by what time period do you think this would actually come to your balance sheet?

K Balachandran: Now, the bulk of the transaction money should be coming in by August. There is a small holdback, which could come in after some time, and the long-stop date is October 1st, 2025. But we expect most of the money to flow in August itself. But we will come back to you once it is done.

Lakshminarayanan: So, we have been signing a lot of agreements with various governments in terms of using this data, I believe, for SME-related loans and things like that. Now, what would happen to those contracts, whether it would be honored by the new company, or you would actually still have

that business to be done by you? I mean how are you thinking about it? And second, what kind of employees, whether there will be something you had mentioned, there is a potential employee transfer. So, how many employees are dedicated and they would actually go into the new company?

K Balachandran: Let me answer the second question first. Roughly about 100 employees would move to the new IRIS Logix, I mean, to the new entity, IRIS Logix, which is the vehicle for this business. And these 100 people have been working in the GST business line of IRIS.

Now, coming to the first question, there will not be any impact on our IRIS DataTech business for two reasons. One is, of course, the kind of data we use for this lending enablement purpose. Part of it is public data, and part of it is concern-based data. And both need a certain pipe. And that we have the ability to use the pipe in the main company itself. Over and above that, we do have an agreement with the new acquirer to use some of the software artifacts already in IRIS TaxTech for a seamless experience for the borrower and the lender. So, there will not be any impact.

Moderator: Thank you. Our next question comes from the line of Ankit Minocha from Adezi Ventures Family Office. Please go ahead.

Ankit Minocha: Yes, hi. Good afternoon. And congratulations to Balu coming on Board as the CEO. My question is with regard to the money that's coming in. I mean, currently, are there any thoughts in terms of, when we say growth aspirations, I mean, ideas in terms of where we would use this? Would it be SupTech? Would it be RegTech? And I mean, till what time does it give us, say, some sort of growth capital in the bank? And does this mean that we don't need to kind of raise further capital for a long period of time, be it from dilution or from even something like private equity?

K Balachandran: Thanks, Ankit. Thanks for extending your congratulations. Let me answer your question by saying that, firstly, we are very gratified to see value unlocking in one of our businesses. In fact, it also validates what we have been saying for a long time now. One needs patience and time to create and unlock value. But in every single business ours, we see the same potential growth or value unlocking. And before we get to the usage of money, I would like to place on record our gratitude to our colleagues in the GST team, led by Gautam, who is here. These are our key assets, the IRIS Folks, and the key stakeholders in the IRIS story as well. And without their effort, these kind of value would not have been created or unlocked.

Now, before coming to the use of money, I should say, because people have been asking in the last couple of calls, what kind of plans you have. Broadly, I would say our next medium-term target is to be INR500 crores company. We are about INR128 crores, INR130 crores. So, this is a medium-term target, which we have set for ourselves to be a INR500 crores company. We believe this is eminently possible, but we require a focus on smart work in each of our remaining businesses. Having said that, I would say the bulk of the resources could be spent on scaling up significantly our enterprise SaaS business. And within that, I would say, IRIS CARBON would get the bulk of the resources which are to be spent for scaling that particular business.

We'll be setting aside a pool of money to bring in solid talent, both within specific business lines and leadership positions, cutting across business lines. And these are people who should integrate well in IRIS and work with our current talent pool to drive the next level of growth.

A couple of other points I want to make is that many of you know that for a long time, we have made a shift from services to products. We are now shifting our DNA again for a growth move from product-led growth to sales-led growth. This means much stronger investments in sales and marketing, hiring more folks in our target geographies as well. We're also shifting focus from a compliant-led sales to value-led sales, from a mandate-led sales to productivity-led sales, productivity boosting kind of offerings. And also, from small-to-medium enterprise sales to medium- and large-enterprise sales.

And as you all know, we have now offerings from the IRIS CARBON to the office of CFO and CSO. Early signs are encouraging. We have started unlocking value here, and we still need to double down and more investment in products to align them with the expectations of large enterprise customers. Therefore, we need to make sure that we also invest in the products.

Finally, we need a deep war chest to make this happen, and our balance sheet needs to be stronger so that we can attract the right partners. But we don't see any need for raising more money at this point of time. Our sense is whatever we are getting through this deal should stand us in good stead as we look at growing to our next target, which I already mentioned.

Ankit Minocha: Understood, yes. Thanks for that. That's useful. This target that you mentioned, do we have a time frame in mind that we're looking at? Secondly, my second question was with regard to the impact of the sale on the business. I believe that the revenues, please correct me if I'm wrong, but the revenues, I think, of the TaxTech business were close to INR17 to INR18 crores, and the EBITDA was close to a negative INR3 crores number? Does the impact on the EBITDA and revenue would it match these numbers, or do you think that the impact could be higher or lower?

K Balachandran: You're right. There is a small difference because it's a GST, ASP business, which is getting sold at INR16.5 crores or so. The GSP part of it is, because we can't transfer the license, still remains with IRIS. So overall, if you look at our balance sheet segment reporting, that's about INR17.53 crores. EBITDA level, there wasn't much of an impact. In fact, we are running close to a INR3 crores loss in the segment reporting level in the TaxTech business. So of course, that is now going to the new entity. And what was your first question? I missed that. You said something else.

Ankit Minocha: Yes, I was thinking with regard to the INR500 crores aspiration, is there a timescale that we're putting on it?

K Balachandran: Yes, it's an aspiration number. I would say that in four to five years is what is in our mind.

Ankit Minocha: Okay, understood. Fair enough. I'll come back in the queue for further questions. Thanks.

Moderator: Thank you. Our next question comes from the line of Amish Kanani from Knowise Investment Managers. Please go ahead.

Amish Kanani:

Congrats on the deal, sir. I have a couple of questions. One, is there any cross-sell opportunities that we had which we might be missing? You know, a few of the plans are common or they're totally different. So, give us some flavor there.

And second, you partly addressed the question of how to use money. But there's always the money which we can spend on CAPEX versus OPEX. You know, and if you spend on the CAPEX type of business, the EBITDA margin doesn't affect. But if we spend on marketing, which is OPEX kind of money, it may take a temporary hit on our EBITDA margins. So, if you can give us some sense of, how are we using this money? Maybe it's a bit early. But a thought on that, and whether, EBITDA margins that we are posting minus the loss from this division, is it sacrosanct or because of our aspiration, we might want to invest in OPEX kind of opportunity also, which, we may have to kind of bear for a year or so before we get the growth levers in place and improve the margins.

K Balachandran:

So, when it comes to cross-selling opportunities, we do have the opportunity to partner with Sovos. So, I don't see there will be any problems in terms of working with our existing GST customers and offering them more from the IRIS main parent company suite. So, I don't think there's any problem there.

On the EBITDA margin question that you had, how do you look at OPEX versus CAPEX etcetera? Of course, the sales and marketing infrastructure that we are talking about, including, teams in the target markets etcetera, will be opex and this will be a sales-led growth model. So, I don't see any escape from spending that money. There is of course, the product development part as well. But if you're going to develop features on existing products, we don't normally capitalize that. There are certain accounting rules we follow. So having said that, we would spend aggressively. This we have mentioned the past as well. There is a bit of a trade-off between the profits you get from the SupTech business versus the kind of investments you need to make in the enterprise SaaS business. Enterprise SaaS business investments could be at a higher pace in the initial years compared to the SupTech business growth, and therefore the higher EBITDA coming from there. That's what I could say at this point of time. But we don't want to hold ourselves back. We'll be aggressive and ambitious as we set out to build scale in the enterprise SaaS business.

Amish Kanani:

Okay. And sir the last question before I go on the queue, we're very happy to note that a INR15 crores revenue business giving us more than INR100 crores net of tax. How is the valuation done and whether we can see our rest of the business having a benchmark, which could be in future much higher than this?

K Balachandran:

So, of course, this kind of deal we agreed at this price. and if you can do the reverse math from the numbers that we have given, you'll get a good idea of where the revenue multiples lie. But on the whole, I would say that we think this is a decent price. And this is more or less in line with global TaxTech deals that we have seen.

Of course, we are much smaller compared to some of the other deals. But these numbers are not far off from those deals. And we see for a company like IRIS, which is pretty small and this tax

business is not making money. And other businesses which are growing faster and profitable as well. This kind of valuation multiples that you see in TaxTech , it could be not much different.

Amish Kanani: Okay. Thanks a lot, and all the best.

Moderator: Thank you. Our next question comes from Ganesh, an Investor. Please go ahead.

Ganesh: So, we have been hearing a lot about MSME initiatives lately. So, is IRIS, Peridot, MSME app and the related stuff, is that also included in the sale ?

K Balachandran: It is not. The IRIS, MSME, Peridot app is part of the parent company. This is not going to the acquirer.

Ganesh: Okay. And I'm assuming there's a full TaxTech org not just the GST portion or anything like that?

K Balachandran: It is the ASP part of the tax tech business, which would mean the bulk of the enterprise suite for tax compliance is growing. The licenses which you can't transfer for GST and IRP remain with IRIS. And the TaxTech that we currently have built is for medium and large enterprises.

Ganesh: Great. And this will also include the Malaysia, ASEAN-related initiatives that we heard recently. Is that correct?

K Balachandran: Yes, so that the Malaysian e-invoicing business would eventually also go to this acquirer .

Ganesh: Great. So just what is the motivation for this sale now? Did we realize that this needs a longer runway to grow as much as our aspiration requires or was it just a tactical realization?

K Balachandran: It is not a tactical realization. As I mentioned in my initial remarks, we have these three, four interesting business lines and we need to double down and focus on a couple of them to scale. So, we thought it's best to focus and scale. And, of course, we need resources for that. And we have been talking in the past for raising resources, but we thought to get that combo of focus and resources, it is perhaps better to divest one of the business. Not that we were actively looking to divest this. Sovos was a partner with us for a long time. And when the discussion started, then we went along with it. And even Swaminathan was involved with these discussions. And we always had at the back of mind if the valuations are good, good for the shareholders, we could take it and double down on building the RegTech business.

Moderator: Thank you. Our next question comes from the line of Shubham Jhawar from Dexter Capital Advisors. Please go ahead.

Shubham Jhawar: Thanks for the opportunity. Sir, I would just like to reiterate on the question that previous participants had raised. So, I wanted to understand which all businesses have been remaining in the TaxTech as of now. And what is the revenue? It's around 1 crore, 1.5 crore of revenue on the businesses that remain with us?

K Balachandran: Yes. So, the remaining revenue from the GST part of the business, which is essentially pipeline, which is the pipeline to GSTN would be about INR1.2 crores. Most of it is going to the acquirer

. And as far as what is left with IRIS, IRIS Peridot app is with IRIS. And, of course, the licenses for these two pieces remain with IRIS.

Shubham Jhawar: Okay. And sir, in your initial remarks, you had mentioned that most of the money would be coming in by August or September? So, is there any earned out model also for this transaction or it's purely cash basis?

K Balachandran: There is no earned out model, but there is a holdback. There is a small holdback portion, which is linked to a couple of conditions.

Shubham Jhawar: So, what are conditions like?

K Balachandran: It's essentially related to some of this license related conditions.

Shubham Jhawar: Got it. Thank you. That was it from my end.

Moderator: Thank you. Our next question comes from Neeraj from Damac. Please go ahead.

Neeraj: Hello. Thanks for the opportunity. So, sir, are we looking for any other sub business segments, which we might sell off in the coming months as we look to streamline our businesses and focus on the core verticals?

K Balachandran: The answer is no.

Neeraj: Understood. And just very logically seeing, as we have sold off one of our segments, which was at the face of it, loss making. So, going forward, our margins should increase, right?

K Balachandran: But you should also see that this particular segment, the contribution to the overall turnover also was not that high, correct? So, it is not going to be having that significant impact given the fact that revenue is also going to grow.

Neeraj: Understood. Those are my only questions. Thank you so much. All the best, sir.

Moderator: Thank you. Our next question comes from Subash B, an investor. Please go ahead.

Subash B: So, the INR151 crores that you mentioned in the letter, right? Will that all be recognized as capital gain? Or do you have a cost basis for that, where you show some cost basis and then recognize the gain?

K Balachandran: I'll see if Vineet can answer this.

Vineet Kandoi: Yes. There are assets which are going to transfer. So, it won't be the entire INR151 crores on which there will be capital gain. There is cost of acquisition as well. And there is net asset which are going to get transferred. So, which will be factored into. But yes, considering this is a slump sale, there will be long term capital gain, which will be there, and also the share sale. So that you need to keep in mind.

Subash B: Yes, so you said 14% of the overall transaction, right? But it will be 14% of the net capital gain, right?

Vineet Kandoi: 14% of the overall transaction, right.

Subash B: Yes. I mean, out of the INR151 crores, what is the capital gain amount? I mean, an estimate also would work, not the exact number.

Vineet Kandoi: Okay. So, I think it will be close to around INR135 crores.

Subash B: Okay. So, my second question was in the last quarter call you also mentioned that you are open to acquisitions, but you did not have any plans like then. Now with this sale and with this kind of money, do you have any plans for any acquisition? Or in the initial stages at least?

K Balachandran: We're talking about the inorganic route, is it?

Subash B: Correct. Yes, right.

K Balachandran: So, I would take at this point of time, from an organic point of view also, there's enough juice in the market. We can go and continue and grow at a good pace. But having said that, having a good balance sheet and having comfort from a liquidity point of view would give us better leverage while some opportunities come our way.

Subash B: Got it. So just the continuation with the last question, I think you said you're going to be INR500 crores revenue company in the medium term, right? Like what is the time zone that you're looking at for this?

K Balachandran: I think I answered that sometime back. I said there's a INR500 crores is an aspirational number and our take is we should be looking at hitting that 4 to 5 years' time.

Subash B: 4 to 5, okay. Thank you.

Moderator: Thank you. Our next follow-up question comes from Ankit Minocha from Adezi Ventures Family Office. Please go ahead.

Ankit Minocha: Thanks for the follow-up. So just a continuation of the inorganic growth opportunities that the earlier participants had asked, are there usually in the segments like SupTech and RegTech, if you were to look at inorganic growth opportunities, are there companies or opportunities available or is that too niche a market kind of to buy in?

My only concern comes in from the fact that now we will also be losing a significant number from our revenue base. So, I mean, to drive growth on the top line, say even if next year, don't you feel that it might be required to kind of look into some inorganic opportunities as well?

K Balachandran: Well, it's a fair point. So, it's not that we'll be oblivious to inorganic opportunities. We have to look at it seriously. We haven't done that so far. So, once we look at it seriously at the right time, I think we'll be able to answer this maybe in a more, I would say, meaningful manner.

Ankit Minocha: Okay. And the impact from this reduced revenue, just on paper from these transactions will start reflecting in our P&L, by from which quarter?

K Balachandran: Yes, I think you can expect this from next coming quarter, Q2 onwards.

Ankit Minocha: Right, thank you. And my second question is with regard to the cost base. So, could you help me with what is the cost base of business that is being sold right now in number terms?

K Balachandran: The cost base for the GST part? We said that there's a close to INR3 crores EBITDA loss for this business, which is mentioned in our FY '25 results.

Ankit Minocha: So, on a revenue of INR17 crores, we're looking at a cost base of close to INR20 crores, am I correct?

K Balachandran: Yes, I think that would be a good approximation.

Ankit Minocha: Okay, sure. Thank you and all the best. Thanks.

Moderator: Thank you. Our next follow-up question comes from Ganesh, an Investor. Please go ahead.

Ganesh: Thank you for the opportunity, sir. So how is this stock valued in our balance sheet today?

K Balachandran: You mean, the transaction will be reflected in our balance sheet. Is that the question?

Ganesh: That's the question, sir.

K Balachandran: So, I think the Vineet will answer this question.

Vineet Kandoi : Yes, so if you see the stock exchange disclosure, so the net asset value of the business, the undertaking which is getting transferred is close to around INR 6 crores on the balance sheet as on 31st March.

Ganesh: Got it. Just one more question from my side. So, I'm assuming just like any software or engineering or a lot of the hundred people that will be impacted would have worked in other organization, other sup-orgs or other teams in IRIS also. So how does it impact the talent pool currently in IRIS?

K Balachandran: I think it doesn't impact because we have been working very clearly demarcated teams and the entire GST tax compliance to the team is going to the acquirer. So, it is a seamless transfer and it's not going to impact our existing business clients.

Ganesh: Okay. No loss of domain knowledge or anything from IRIS. Okay, great. Thank you, sir. Thank you for the opportunity.

Moderator: Thank you. Our next question comes from Swayam, an Investor. Please go ahead.

Swayam: Yes, sir. So, my question was like, sir, I wanted to know your thoughts about these upcoming ESG mandates. So like, how are you seeing these things playing out going forward?

K Balachandran: So, the ESG mandates, there has been some development in Europe, there was a small pushback in terms of a number of companies coming into mandate. But we have been interacting with our prospects and in conferences, we have been interacting with ESG consultants. So, there's clearly a lot of interest from companies, even now to go ahead and do their ESG reporting.

Many companies are doing voluntarily. All listed companies in Europe anyway had to do it. But in terms of the coverage, it's getting paced out. So, we feel the market is still very strong, but there were some initial sense in the ESG community that floodgates are going to open, but gates are opening more slowly, I would say, the demand gates.

Swayam: Okay. So, I mean, do we have any idea about timeline that these might get into action like 1 or 2 years going forward?

K Balachandran: So, I think our solutions are anyway getting out there in the market, and we feel gradual pickup. That's what I would say. There's definitely going to be gradual pickup from this year onwards.

Swayam: Right. Got it, sir. And so, my final question is, like, what kind of growth and margin can we look going forward as we have the funds right now and we are like doubling our forces on SupTech and RegTech from the fund. So, what are your outlook over this?

K Balachandran: I'm afraid that I can't give any guidance. We said that whatever we had to say in terms of the trajectory, we have to hit and how do we plan to move on that trajectory.

Swayam: Okay. Got it, sir. So, it's like how you have previously stated. So, I can assume that, right?

K Balachandran: I mean, you can assume what you feel is most appropriate is what I would say. So, we have a particular plan in mind, and we have voiced that to whatever extent we could during this call.

Swayam: Okay, sir. Thank you, sir. And that was my question.

Moderator: Thank you. Our next question comes from Amit Joshi, an Investor. Please go ahead.

Amit Joshi: Thank you for this opportunity, sir, first of all, and congratulations for the deal. I plan to remain invested with IRIS for a long time to come. One quick question I had. Can I see, is there a rationale behind the constant decrease in the promoter holding quarter-on-quarter?

K Balachandran: I don't think there is any constant decrease in the promoter holding quarter-on-quarter. There were some ESOPs we had given. So that might have led to some dilution as far as promoter percentage holding is concerned. In terms of absolute numbers, I don't think there has been any reduction. In fact, Swaminathan's stake has now moved to Deepta. So that also has taken place during this quarter. So, we are here to stay and we want to build value.

Amit Joshi: Yes, because as an investor, I hope you understand my question.

K Balachandran: We understand, fully we understand.

Amit Joshi: Thank you very much for that one, sir. I appreciate it.

Moderator: Thank you. Our next question comes from Rohit Potti, an Investor. Please go ahead.

Rohit Potti: Thank you for the opportunity and congrats on a great deal. Thank you for the opportunity and congrats on a great deal. One question, sir. I mean, team IRIS has gone through a lot together over the last few years and I believe this team also is a part of it. So just wanted to get your thoughts on any implication on morale with the team going off or with this unit being sold off? Or I mean, how is the organization such taking this move?

K Balachandran: Maybe I'll get Gautam to give his view on this and I can come back.

Gautam Mahanti: Hi, Rohit. Thank you for asking the question. I think the morale is pretty high. So, if I can say, how's the josh? Josh is very high, because it gives the GST team a good opportunity to expand their wings and the landscape goes beyond India because Sovos being a large leader in the space allows us this opportunity to take our solutions globally, especially in the APAC level.

So, from that perspective, I think people are all excited and we see it as a very positive thing that can happen from the team, which is moving out. And from IRIS, I think we've already spoken about the value that is getting unlocked gives it a lot more resources to focus on the core strategic business areas.

K Balachandran: Yes, from IRIS point of view, of course, we are sorry to see our folks moving out, at least from an independent point of view. But everyone is upbeat because they have the ability now to look at a much bigger market and work with a team which has done implementations across many countries. And from our point of view, we do have now the freedom and the means to build our business in a much more meaningful, significant manner.

Rohit Potti: Thank you, that's all from my end on this and all the best to the Gautam and his team for the journey ahead and thanks for everything that you guys have done for IRIS. So, thank you, that's all from me.

Gautam Mahanti: Thank you so much, Rohit and I'm definitely going to miss your questions in the investor call.

Rohit Potti: I appreciate it, thank you.

Moderator: Thank you. Our next question comes from Lakshminarayanan from Tunga Investments, please go ahead.

Lakshminarayanan: Thank you, I got dropped off a bit. Just when you actually did this process, how long it took and how did you identify this particular entity and if you can just explain the process so it will be helpful? And if you've already explained then maybe I'll take it from the transcript later on?

K Balachandran: No, it's fine. I think, LN, we can quickly tell you how this happened. So, Sovos has been a partner and customer with us for 6 years now. So, in fact, some of their MNC clients use the IRIS pipe to file the GST returns and they have been working with us and there are interactions at different levels from IRIS and Sovos. The relations are really good. So, this kind of thing came up, I would say when we had gone to Malaysia and started our business there, they saw how nimble and quick we were to introduce our platform in the Malaysian market and they were not in the

APAC area. When we got talking, then they were discussing at the strategic level how to come to the APAC region.

This is what we hear, this is hearsay, of course. And then we got talking and this went from one thing to another. And I would say it sort of accelerated over the last 5 months, the whole interactions and the diligence process, etcetera. We could complete it fairly fast because we have good processes and there were no worries on those fronts .

Lakshminarayanan: They had known you for the last 6 years, so it was quite quick, what do you think?

K Balachandran: Correct. They knew us from the GST solutions point of view for quite a number of years, yes.

Lakshminarayanan: And did you kind of compare it with any other offers you had or is it really only one offer you went ahead with?

K Balachandran: There was one informal interaction with an Indian Fintech Company. So of course, that was not at the level we were comfortable with. That also happened in an informal manner in the sense because there are friends and there's a network and from there, we did this. But there's much better synergy here, because this is more or less in the same business and there's a way to scale in a sizable manner.

Lakshminarayanan: Got it. And thank you so much.

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

K Balachandran: Thank you so much. Thank you for coming in good numbers, such a short notice. We hope we have been able to answer your questions properly. So as usual, we are here at the next conference call. I'm waiting your questions and we hope that we can have further meaningful interactions. Thank you so much. Good evening, bye.

Moderator: Thank you. On behalf of IRIS Business Services Limited that concludes this conference. Thank you for joining us, you may now disconnect your lines.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.