DATAMATICS

February 04, 2026

To,

BSE Limited
Phiroze Jeejeeboy Towers,
Dalal Street,
Mumbai - 400 001.
BSE Security Code: 532528

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
NSE Symbol: DATAMATICS

Sub.: Transcript of the Earnings Call for the quarter and nine months ended December 31, 2025

Dear Sir / Madam,

Pursuant to Regulation 30 and Part A of Schedule III read with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the transcript of the Analyst / Investors' Earnings Call held on January 29, 2026 at 05:00 P.M. IST for discussion on Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2025, has been made available on the website of the Company at - www.datamatics.com/about-us/investor-relations/earnings-call.

Kindly take the above on your record.

Thanking you,

For **Datamatics Global Services Limited**

DIVYA KUMAT

Digitally signed by DIVYA KUMAT
Date: 2026.02.04 17:44:16 +05'30'

Divya Kumat
President, Chief Legal Officer & Company Secretary

Encl: a/a

"Datamatics Global Services Limited

Q3 FY '26 Earnings Conference Call"

January 29, 2026

MANAGEMENT:	**MR. RAHUL KANODIA – VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER** **MR. ANKUSH AKAR – SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER** **MR. MITUL MEHTA – EXECUTIVE VICE PRESIDENT AND CHIEF MARKETING OFFICER**
MODERATOR:	**MR. PRATIK JAGTAP – E&Y INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to Datamatics Global Services Limited Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in a 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 touch-screen phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pratik Jagtap from EY Investor Relations for opening remarks. Thank you, and over to you, sir.

Pratik Jagtap: Thank you, Shruti. Good evening to all the participants in the call today, and welcome to Q3 FY '26 Earnings Call of Datamatics Global Services Limited. The results and presentation have already been mailed to you, and they are also available on the website of Datamatics. In case anyone has not received a copy of press release or presentation, please do write to us, and we will be happy to send you all.

To take us through the results today and to answer your questions, we have with us the top management of the company represented by Rahul Kanodia, Vice Chairman and CEO; Ankush Akar, SVP and Chief Financial Officer; Mitul Mehta, EVP and Chief Marketing Officer. Rahul will start the call with a brief overview of the quarter on business, which will then be followed by Ankush, who will take us through the financials. Then we will open the floor for Q&A session.

I would like to remind you that anything that is said on this call, which gives any outlook for the future or which can be construed as a forward-looking statement, must be viewed in conjunction with the risks and uncertainties that we face. These risks and uncertainties are included, but not limited to what we have mentioned in the prospectus filed with the SEBI and subsequent annual reports, which you can find on our website. With that said, I now hand over the call to Rahul, sir. Over to you, sir.

Rahul Kanodia: Thank you, Pratik, and a good day, everyone, and thank you all for joining the Datamatics Q3 FY '26 Earnings Call, and I wish you all a very happy New Year. I will begin the call with sharing some key highlights from our quarterly performance, followed by Ankush, who will take you through the financial update. We will then open the floor for Q&A sessions.

Our total revenue for Q3 stood at Rs. 510.1 crores, giving us a revenue growth of 19.9% on a year-on-year basis and 4.1% on a quarter-on-quarter basis. Our EBITDA for Q3 stood at Rs. 96.2 crores, giving us an EBITDA growth of 76.4% on a year-on-year basis and 8.3% on a quarter-on-quarter basis. We improved our EBITDA margin by 604 basis points year-on-year and 75 basis points quarter-on-quarter to 18.9%, driven by our focus on improving operational efficiencies and disciplined cost optimization. I'm happy to state that this is one of the best quarters from a revenue and EBITDA perspective. We recorded a quarter-on-quarter revenue growth across all 3 business segments. In Digital Technologies, we delivered a double-digit revenue growth and a sustained double-digit EBIT margin. Revenue in digital operations remained stable and EBIT margins improved to 18.1%. Digital Experiences performance remained soft. And as highlighted in the previous Q2 of our clients are transitioning their work to their captive centres. However, we continue to add new logos as well as expand our existing relationships across clients.

Datamatics is investing decisively in enterprise AI we are further democratizing AI across the organization. I'm excited that we are rolling out Google Gemini Enterprise across the organization, empowering our teams to build intelligent agents, improve productivity and drive innovation at scale. In partnership with Google, we have certified 200 employees on Gemini Enterprise in the past 1 month as Phase 1 of this exercise. Additionally, we have built industry-specific AI solutions for insurance, banking and logistics, enabling autonomous workflow orchestration, smarter decision-making and enterprise-wide productivity at scale. This strengthens our AI-first culture and positions Datamatics for sustainable growth and long-term value creation.

Our continued focus on scaling strategic accounts, strengthening global delivery and optimizing execution has further improved operating leverage and contributed to sustained margin improvement. With that, I will now hand over the call to our CFO, Mr. Ankush Akar. Ankush, over to you.

Ankush Akar: Thank you, Rahul. Welcome, everyone, and wishing you a very happy new year. Let me start with the financial performance for the quarter Q3 FY'26, and then I will take you through the 9 months ended December 2025 financial performance as well.

Our Q3 FY '26 revenue stood at Rs. 510.1 crores, reflecting a growth of 19.9% on a year-on-year basis and 4.1% on a quarter-on-quarter basis. Our sustained cost optimization efforts and enhanced operational efficiency helped us improve our EBITDA to Rs. 96.2 crores, a growth of 8.3% on a quarter-on-quarter basis and 76.4% on a year-on-year basis. Our EBITDA margin for the quarter stood at 18.9%, reflecting an improvement of 604 basis points on a year-on-year basis and an improvement of 75 basis points on a quarter-on-quarter basis. Our EBIT for the quarter stood at Rs. 74.2 crores, which is up by 7.7% on a quarter-on-quarter basis and 65.9% on a year-on-year basis. Our EBIT margin was at 14.6%, reflecting an improvement of 404 basis points on a year-on-year basis and improvement of 50 basis points on a quarter-on-quarter basis.

Changes in the new labour codes resulted in a one-time increase of Rs. 40.3 crores in gratuity and leave encashment liability. This one-time increase was shown as an impact on labour codes under the exceptional item. Due to this impact, our PAT after noncontrolling interest was at Rs. 36.4 crores, down by 42.5% on a quarter-on-quarter basis. Our PAT margin stood at 7%. Excluding the one-time impact, our PAT would have been approximately 12.7%. Our EPS for the quarter stood at Rs. 6.16 per share.

In terms of segments, Digital Technologies revenue for the quarter stood at Rs. 169.6 crores, which is up by 10.8% on a quarter-on-quarter basis. Digital Technologies EBIT margin was also at 10.8% for the quarter. Digital operations revenue for the quarter stood at Rs. 273.8 crores, which is up by 0.5% on a quarter-on-quarter basis. Digital Operations EBIT margin was at 18.1% for the quarter. Digital Experiences revenue stood at Rs. 66.7 crores, which is up by 3.2% on a quarter-on-quarter basis. Digital Experiences EBIT margin was at 9.6% for the quarter. In terms of geographical footprint, the U.S. remains our largest geography with 52% of our business coming from here, followed by the U.K. and Europe at 22%, India at 17% and ROW at 9%. Our client concentration remains very healthy with top 5, 10 and 20 clients contributing to 29%, 42% and 55%, respectively.

Let me now take you through the performance for the 9 months ended December 2025. Our revenue stood at Rs. 1,467.9 crores, reflecting a growth of 19.7% on a year-on-year basis. Our EBITDA stood at Rs. 261 crores, a growth of 68.7% on a year-on-year basis. Our EBITDA margin for the 9 months ended stood at 17.8%, reflecting an improvement of 516 basis points on a year-on-year basis. Our EBIT for the period stood at Rs. 199.6 crores, which is up by 57.6% on a year-on-year basis. Our EBIT margin was 13.6%, reflecting an improvement of 327 basis points on a year-on-year basis. Our profit after tax, after noncontrolling interest, was Rs. 150 crores, down by 6.3% on a year-on-year basis. Our PAT margin stood at 9.9%. This decline was primarily due to a one-time exceptional charge of Rs. 40.2 crores arising from changes in labour codes. In comparison, 9 months ended December 2024, PAT was Rs. 160.2 crores, which also included an exceptional gain of Rs. 34.8 crores. Excluding exceptional items, profit before tax grew strongly by 39.8% on a year-on-year basis. Our billed DSO was at 55 days as of December 2025. We continue to maintain a healthy balance sheet. As of December 2025, our net cash and investment net of debt stood at INR540.2 crores.

Overall, we had a good quarter with a strong financial performance. With this, I will now pass on the call to the operator to open the floor for questions. Thank you for your patience and continued interest in Datamatics.

Moderator: Thank you very much. The first question is from the line of Dhanshree Jadhav. Please proceed.

Dhanshree Jadhav: Congrats on great set of numbers on operational side. So my question is how should we see the segmental mix evolve in the next couple of quarters? And also, if you can throw some light on digital experience, which has shown some decline in this quarter, whether it will recoup thatdecline -- sorry, not decline, in terms of margins and overall growth going ahead? That is the first question.

Second is if you can throw some light on order booking and the nature of deals that we have won this quarter and pipeline if you can give us some views on how it is growing and some views on overall growth and margins going ahead?

Rahul Kanodia: So on the Digital Experiences, I mentioned about 2 quarters earlier that we have 2 customers who are moving their work to the captives. And therefore, you see the margins becoming a little softer and the growth not being as much. Quarter 4 of this year, we will expect the full impact of that transition. From quarter 1 of next year, we'll see an upswing because we signed several new logos and they are much healthier margins as well. So we will see an upswing in Digital Experiences starting quarter 1 of next year. But quarter 4 will remain a little soft.

On digital operations and digital technologies, as you see, the numbers in digital technologies have been quite robust, and I see that continuing for the next few quarters. I don't see a major challenge there. We have a healthy pipeline.

On digital operations, there's a lot of transitioning happening on the AI side. So the margins are improving. The pipeline will also improve as we deliver these solutions for automating business processes. So that's really going to be the driver going forward. Overall, I'm quite okay with the next year going ahead.

To your point in terms of the pipeline and the quarter, right now, it's still fairly strong. In fact, we are seeing a little uptick on the pipeline. So that's good. I think the current uncertainties in the U.S. have become a state of normal in a way. Everybody knows, and everybody remains uncertain. So they've to take it in this ride. Generally, the mood is improving. The velocity is still slow, but we see a slight upward trend.

Moderator: The next question is from the line of Yatin Shah, an investor.

Yatin Shah: Congrats on a great set of numbers. Just had a question regarding the Google Gemini enterprise solutions that we have started to do. Is this a big portion of our revenue? And also, what is the expected revenue mix from that?

Rahul Kanodia: We are implementing Google Gemini across the enterprise within Datamatics. So every person will be powered with an AI tool in his hands. That should impact productivity, efficiency, and things of that. We are also integrating some Google technologies into our AI solutions, which we are bringing to market. We've built agent AI platforms for insurance, for logistics, for banks, and we've started taking that to market.

The revenues will flow in the next few quarters. We've tested the solutions right now, and the response has been quite promising from customers. But I think once we nail a few customers or once we acquire a few customers in the next, say, 3 to 4 months, we will get a good visibility on what those revenues will look like.

So the agenda of Google Enterprise is to get every person hands-on with AI technology in the company, being an AI-first company, which becomes paramount. So far, the pockets of AI have been concentrated with a few people who are deep into the AI space who are experts. But now we need to democratize this and make sure that every employee in the company is thinking AI first and is powered by an AI tool. So that's the agenda.

Yatin Shah: Great. Great, sir. And one last question. The labour code impact, is this just for this quarter? Or will we see any impact over the next throughout the year?

Rahul Kanodia: It is just for this quarter in the sense that there is a backlog because of the one-time hit with a retrospective effect. Therefore, this quarter has taken a big hit. From the next quarter onwards, it has become a routine marginal increase in gratuity. So we expect something in the range of maybe 0.5. But there we still have to do the math because all these regulations are not yet clear.

They're still coming out with clarifications. So we are keeping our eyes open and talking to the consultants who can advise us on that. So, but fundamentally, going forward, there's not too much of an impact.

Moderator: The next question is from the line of Grishma Shah from Envision Capital.

Grishma Shah: Curious to know how TNQ Tech is doing? And till 9 months, we have the benefit of integrating TNQ on a year-on-year basis. Therefore, the numbers look good. But if you had to exclude that and then look at the stand-alone business, if you could give us some idea as to how the business has done, that should be great.

Rahul Kanodia: So, TNQ is doing good. –We are successfully integrating it very well into the company. Overall, we've had a sequential quarter-on-quarter growth of 4% as you see. So that, of course, includes TNQ as well as the rest of Datamatics. So, the growth is not coming from the acquisition. Of course, we got a bump up because of 19% because of the acquisitions for Q1, Q3. But if you see for the last 2 quarters, our sequential quarter growth has been 4% number for this quarter as well as the previous one. So I think we are doing quite well in terms of organic growth and integration of TNQ. And they remain financially healthy. In that sense, it was a very good acquisition from a Datamatics perspective.

Grishma Shah: If you were to look at even sequential growth of 4%, I mean, if you could give us year-on-year, how has TNQ grown?

Rahul Kanodia: I don't have that figure handy, but I know they've had a good growth. Their growth has been in line with the rest of Datamatics. I don't have the figure exactly on hand. So I would be hesitant to give you a number. But maybe offline, we can have a conversation when we can pull out those numbers or specifically.

Grishma Shah: Okay. And just transitioning to the captive centre for the Digital Experience business line. This has been going on since last December, if I remember correctly, the last December quarter was really a slow quarter for us. Does it take like 4 quarters for the work to transition?

Rahul Kanodia: Yes. It depends on each customer's situation, but it could be between 1 quarter, as a minimum, would be 4 maximum. It depends on the situation. So these are both very slow and steady, but this was something that was riding on the wall. So it's good that it's been slow and steady. Therefore, it does not create undue pressure on Datamatics as well as the customer.

Grishma Shah: For FY '27, what does the outlook look like? Is it a flat year in terms of growth? Or is it low single digits? So what does it look like for you given the deal pipeline that is in front of?

Rahul Kanodia: we are looking at high single-digit growth. And then, of course, occasionally, we do look at M&A. So I'm not factoring M&A into this, but the high single digit is something that would be a decent number to look at.

Grishma Shah: Is Gemini the first AI tool that we are implementing? Or I believe we would have multiple other AI tools also that we were working on, right?

Rahul Kanodia: We worked with Lama from Facebook. We worked with Anthropic. We worked with Microsoft OpenAI, which is a big one, is ChatGPT. We worked with Google as well. So we worked with multiple. We found that Gemini has an edge over most others on several fronts. Therefore, we've gone with Gemini across the board because we find that output to be much better. And the idea is to democratize it. So, really, the assistance that we're getting from Google is to train our people and empower all the employees.

Having said that, in different pockets, we use different AI tools. So not one tool is going to fit everything. So somewhere we are using Anthropic, somehow it's using OpenAI, but Gemini will be the dominant one.

Mitul Mehta: Hi, this is Mitul here. So, while we are using Gemini for internal productivity tools, while we are building solutions, while we are recommending classic cases to customers —we have capabilities across all the tools and AI models Rahul mentioned, be it OpenAI, Microsoft OpenAI, Anthropic, Google, or Lama. So, capability development is across. But then, when we have to adopt one particular tool across the organization for the people, that's why we decided to go ahead with Gemini, which suited us as an organization.

Rahul Kanodia: Having said that, we've also built our own small language models that we've deployed in technology customer situations because they require that kind of a solution, right?

Grishma Shah: Okay. And will the growth for next year be led by digital operations? Or you think it will be across all the 3 segments?

Rahul Kanodia: It will be across all the 3 segments. I think technologies would probably be a leader, and you will see an uptick in experiences as well. but it will be across all 3 largely.

Grishma Shah: Okay. And how is Dextara doing above company average growth?

Rahul Kanodia: Yes. Dextara is doing very well, and we've been able to very successfully cross-sell into the Datamatics customer base. We've got a very strong pipeline right now, and not only a strong pipeline, but also much larger deals compared to what Dextara had. So overall, quite optimistic about the way Dextara is panning out because of the cross-sell, the pipeline, and the deal sizes that we're getting. And that allows us in our strategy of penetrating our existing accounts very well.

Moderator: The next question is from the line of Bimal Parekh from Sunidhi Securities.

Bimal Parekh: Congratulations on a great set of numbers. So my question was basically that during Q3, what was the spend on AI, which we have written off is my first question. And the other was to Rahul bhai that in his earlier experience, when he had said that most companies are just testing out AI. So what is the experience now? Are the companies running up to give more projects?

Rahul Kanodia: Yes. So, to your question, our spend, I can't specifically say AI, but our spend on these transformation technologies is roughly Rs. 40 crores to Rs. 50 crores a year. Earlier, it was more in the product space where we are pivoting away from product investments and more into the AI investment. So basically, it's all in the investment space, right? So a little more on investment. So we've reallocated our plans internally. So that investment continues.

To your other question on Testing. So, the customers are testing these things right now, they started going into production. Also, we see some customers going into mainstream production.

And not only that, we find some customers very open to adopting technology as the main platform on which they want to operate. So we started seeing that transition happen. As I mentioned in my address that there are a few solutions that we built, which we showcased to customers. We've already piloted it, and the customers have loved the demos that we've seen, not only demos but proof of concept, actually. So now it's about cashing in on those opportunities and converting them into live transactions.

But the hesitation that we used to see about a year ago, it seems to be waning, and we see them more open to adopting AI in the main operations of their business. So that's good news. And also the solutions that they're seeing from Datamatics, they've been extremely happy about what they see.

Bimal Parekh: So sir, do you expect this Rs. 50 crores to be spent every year or you expect that to taper down?

Rahul Kanodia: Right now, we will maintain that between Rs. 40 crores and Rs. 50 crores because this whole area of technology is changing so fast, and we need to keep abreast with that area. So we will maintain it for some time. But we keep reviewing every quarter just to see where we're going. So as of now, it's there.

Bimal Parekh: And we write off this as an expense in our books instead of capitalizing, right?

Rahul Kanodia: That is correct.

Bimal Parekh: And sir, any other industries that we are now targeting? I believe last time was BFSI largely insurance. So, are there any other industries that we are targeting?

Rahul Kanodia: Our footprint is large in manufacturing, in education and publishing and BFSI. These are the 3 dominant ones. So I think that should remain as it is. We are not looking at any new industry per se.

Bimal Parekh: Okay. Your U.S. was kind of lukewarm. So has things reversed there? Or they are still lukewarm towards Indian?

Rahul Kanodia: They are still a little lukewarm more because of, I think, political reasons and political pressures more than business. And I think that overhang of the politics is still there. It's beginning to look up right now. So, it is improving because I think everyone is now very comfortable with the uncertainty. Everybody is in the same board, and they've been in this board for quite a while. So I think that's the new normal that it just remains uncertain. So generally, it's looking up, but there is still a political overhang, and we don't know which way it will go.

Moderator: The next question is from the line of Rahil from Sapphire Capital.

Rahil: Yes. So just picking up on the previous one for the U.S. market. So it is still like a heavy chunk of our business, like 50% plus?

Rahul Kanodia: Yes.

Rahil: Okay. So because the scenario is ever growing and not looking like it will settle in the near term. So are you trying to diversify and move away from the market? Or is it still reaping us good kind of contracts and business?

Rahul Kanodia: We've got good contracts in business. We're not looking at diversifying because between the U.S. and the U.K., it pretty much covers 80% of the global outsourcing market. So if you're looking out elsewhere, you're looking at as best traction. Now 20% is the rest of the world.

Obviously, we can't go to some low-cost destinations like Africa and South America. We can't go to certain other countries that are non-English speaking, which are very different. Therefore, really, that is the market, and we will continue to focus on it. I'm sure this current political headwind will wane out soon, and we are hoping that it at least reduces, if not goes away completely, and that should improve the mood amongst all customers. So no, we are not looking in other geographies, was for diversifying.

Mitul Mehta: Also, our focus is on growing our existing customers. That is what one of the key growth strategies is, which is basically, again, distributed across the geography, which is the U.S., Europe, India, the Middle East. So, I think that we have our hands full enough to plough there. Once the overall economic environment improves, I'm sure –you 'll see those in numbers.

Rahil: So, is it fair to say that with your current customer base in the U.S. mainly, there is a lot of scope for further wallet-share increase? Which can let us sustain a good amount of growth for the coming years?

Mitul Mehta: Yes, absolutely. These are large enterprises, and we need to mine them. We need to build stronger relationships with them. And that's what the strategy is, and we are gearing up we have already geared up ourselves. Last year, we launched it, and we are seeing the fruits of that.

Rahil: Secondly, so the Q3 was impacted by the labour cost changes. Now you're saying it's going to taper down and settle in from the next quarter on, versus quarter 4, profitability will inch up, right, and the same effect will not be there?

Ankush Akar: So, as highlighted, this is a one-time impact of the past liability, which was there because of a change in the definition of wages. So that impact is a one-time impact. Going forward, we don't see any material impact. There will be a minimal increase, which will be there, but we don't expect any material impact of this.

Rahul Kanodia: It is just a one-time legacy impact. That's impacted the whole industry.

Rahil: So fair to say the EBITDA margin, of course, is not related to this labour impact, but I'm just in general asking if the EBITDA margins are sustainable because quarter-on-quarter, we have been growing by a few basis points, and you closed with 19%. So is this sustainable for quarters ahead?

Ankush Akar: Yes, we will be sustaining the EBITDA margins. We continue to look at in terms of how we can keep our cost in control and keep growing. That's basically the key thing that we are looking at. So EBITDA will maintain the EBITDA margin and keep improving.

Rahil: Okay. You're confident of that. And lastly, you said FY'27, you see high single-digit growth. Now, are you being conservative there? Because in the last 3 quarters, year-on-year, you have grown around 18% to 20%. So why, as a company, are we not still coming ahead and guiding with a strong 20%, 20% plus growth for the consolidated level?

Rahul Kanodia: The growth that you see includes some degree of an acquisition, and therefore, you see a bump up. We rather be conservative because there's still a lot of uncertainty, partly thanks to the political situation, partly thanks to the disruption that AI can have. And therefore, there's some degree of greyness there. Therefore, this is the current outlook. Of course, every quarter passes, we'll get better clarity, and I'm sure we'll have those conversations to see whether we need to change our estimations of future growth. But right now, this is what we're looking at. It is a little conservative, but it does include an M&A in the last.

Rahil: Yes.

Rahul Kanodia: But the sequential growth, if you see, we've had for 2 quarters, 4%. So it's been a very healthy, organic, sequential growth.

Moderator: The next question is from the line of Srinivasu from TIA.

Srinivasu: Congratulations for a great set of Q3 numbers. Are Datamatics clients asking you to build AI agents on top of the existing platforms like Microsoft, Google, Salesforce? Or, do you have any AI accelerators that you built by yourself, which is actually driving this?

Rahul Kanodia: So we have a few accelerators that we are deploying. I earlier talked about agentic underwriting for logistics, for banking, for insurance. We've built solutions around Microsoft Copilot. So yes, we have built on top of the existing platform because we don't build a foundation model. The foundation model is from these large tech companies like Google and Microsoft.

So, we've taken those as a platform. Now when you build it on the customer's environment, you have to integrate it into the core systems. It cannot be a bolt-on sitting on top. So therefore, customers are still testing that. They are not quite clear how to do that because there's a fear of data going outside the enterprise. So that's the biggest fear. So our solutions are delivering good. Now when it comes to building solutions for the customer, that is still sporadic because not every customer will allow you to touch the core systems. And AI will really work only when you can directly access data in their systems. But the point I made earlier was that customers are now maturing and coming to terms with the fact that it's a good solution. It's a good thing to do. And therefore, more and more customers are sort of going down the path of putting into the main systems.

Srinivasu: Compared to other IT service companies, in India, what Datamatics actually having a differentiation in terms of agentic workflow orchestration? Or do you have AI-based automation or AI-based DX personalization? What exactly the strength of Datamatics?

Rahul Kanodia: We have gotten Agnetic AI workflow built. We have a whole platform. We've trained several people. I think the key to this market is how fast you can move in the market. And we've had a good start. We've moved in fast. We've got a few very good customers. So that's really the key. Also, the benefit that we've been able to deliver is because we understand the business process services as well as the technology services, we're able to put them together very well and deliver the end result. Ultimately, the customer is looking at better, faster, cheaper. And we have successfully delivered a return on investment to the customer. So it's really an integrated IT and operations story that goes very well and the ability to deliver ROI.

Moderator: The next question is from the line of Sanjyot, an Investor.

Sanjyot: Congratulations on a good set of operational numbers in a tough market. I have 2 questions. One is like Q4 is generally seasonally a good quarter for Datamatics. And you mentioned that legal experience is going to have some impact on the quarter. Overall, it's going to be kind of a muted quarter compared to Q4 vs Q4?

Second question is on the employee headcount side in Q3, have you added any number of employees, what is the current employee count? And on a wage hike, is it already done for this financial year? Or is it going to happen in Q4?

Rahul Kanodia: Yes. So on the employee count, we've not added too much more. It's more about augmenting it with AI and improving productivity and not really increasing headcount now. In terms of the wage hike for this year, there's nothing happening this year. We already did a midyear increment cycle. The next cycle will probably be next financial year, April-May time frame. On your first question, if you just chalk my memory on the first one. Digital Experiences will have a little muted thing, but I think it will pick up in Q1 of next year. So Q4 might be a little soft, but Q1 will pick up.

Sanjod: Digital Experiences business will it pick up from the Q1, but in the Q4, it will be having some impact. And overall, the way Q4 is generally a higher quarter, it will have a little impact on Q4. But the other two businesses will be doing well?

Rahul Kanodia: Yes we have some cyclical business. And then, because of the growth in the noncyclical business and the acquisition that we made, both Dextara as well as TNQ, the ratio of cyclicality has reduced. So we will see a spike in Q4, but it will not be as prominent as it has been in the past because the other businesses, which are sort of larger are more stable, have grown. So yes, we will see a spike, but not as steep, because the others are more stable.

Moderator: The next question is from the line of Bimal Parekh from Sunidhi Securities.

Bimal Parekh: Just wanted to understand which industry is best as far as adopting AI in your opinion? And what is your experience?

Rahul Kanodia: So the industries that are very heavy with information processing are the more likely ones. So banking, finance, and insurance are adopting it quite well. They have a concern about data security and data privacy. But aside from that concern, they are very, very open to using AI. They have issues with compliance. But compliance when you use it internally, that's a very potent area to explore AI because AI can automate a lot of the manual paperwork that goes on in compliance. But since these industries are regulated, they need to be a little cautious.

Industries that have been laggards, I would say, is publishing because they are very concerned about the IP rights of the authors and they're concerned about AI violating the intellectual property rights of authors. So that's been a little slow. The technology industry has been good. Manufacturing, more so, because a lot of manufacturing goes into core brick-and-mortar kind of stuff, where AI is a very different use case. So, it's really BFSI and technology, which have been large ones. Education publishing has been a little slow. Manufacturing has been kind of average. So this has been our experience so far. Logistics is also doing a decent amount because logistics has a lot of information that they process, and that's where they use AI.

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

Rahul Kanodia: Thank you, everyone, for being on this call with us, and thank you for your confidence in Datamatics. I think we've had a good interaction today. I look forward to meeting all of you in the next quarter. Wishing you once again a very Happy New Year, and we'll see you soon. Thank you again.

Moderator: Thank you. On behalf of Datamatics Global Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your line.

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