Operator: Ladies and gentlemen, good day and welcome to the Q2 FY27 earnings conference call of Birlasoft Limited. As a reminder, all participant lines will be in 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 followed by zero on your touchtone phone. I now hand the conference over to Mr. Abhinandan Singh, Head of Investor Relations, Birlasoft. Thank you, and over to you, Mr. Singh.

Abhinandan Singh – Head Investor Relations: Welcome, folks. By now, you would have received or seen our results that were announced earlier today. Those are also available on our website, www.birlasoft.com.

Joining me on this call this evening are our CEO and MD, Mr. Angan Guha, and our Chief Financial Officer, Mr. Chandrasekhar Thyagarajan, or Chandru, as we call him. We will begin the call today, as usual, with opening remarks from both Angan and Chandru. But before I hand over the floor to Angan, a quick reminder that anything we say on this call about the company's outlook for the future could be a forward-looking statement involving significant uncertainty, and therefore must be heard or read in conjunction with the disclaimer that appears in our investor update, which you would have received and which is also uploaded on our website and filed with the stock exchanges.

With that, let me hand over the floor now to Mr. Angan Guha, our CEO and MD. Over to you, Angan.

Angan Guha – CEO and MD: Thank you, Abhi. Good morning and good evening to all of you, wherever you are, and thank you for joining us today as we share some perspectives on our performance in the second quarter of the current fiscal.

As you would have already noticed, we have delivered revenue growth of 2.1% in both constant currency and dollar terms quarter-on-quarter. In rupee terms, revenue during the quarter grew by 2.7% sequentially. I am also pleased to note that the Life Sciences vertical among our verticals and the ERP business among our service lines have both registered their second consecutive quarter of sequential growth in Q2. The Manufacturing business, as well as the BFSI business, also witnessed sequential growth. The ENU vertical continues to remain soft due to a particular ramp-down of work with one client.

Our EBITDA margins for the quarter reflect the fact that the organization-wide compensation revision came into effect from July 2026, but remain within the range that Chandru, our CFO, had called out in the last quarter. We have also seen robust cash flows and collections, while our cash balances have increased and our DSOs have improved. Chandru will provide more color on this in his remarks.

Deal signings during the quarter came in at $116.1 million in TCV, up 9% year-on-year, and for the first half at $285 million, which is an uptick of 15% year-on-year. Our deal wins during the quarter include several AI-led engagements.

To name just a few, we have secured a strategic AI-led transformation opportunity involving large-scale platform modernization, cloud adoption, and business transformation from a leading European logistics organization. This engagement showcases Birlasoft's AI-driven delivery lifecycle,

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or AIDLC, approach, combining architectural excellence, AI-assisted engineering, automated testing, accelerated migration, and disciplined program execution to modernize a mission-critical platform at scale.

Similarly, for a global industrial manufacturer, we have won a 3-year AI-led managed services engagement to support its ERP systems and drive business innovation. We have also been selected by one of the largest medical device manufacturers in North America to provide a range of services, from program governance and an AI and data COE to core digital transformation. This strengthens the company's long-term relationship with the client as a provider of core transformation services to its IT organization.

As I had previously pointed out, we now have a growing base of engagements where we are deploying advanced AI-powered capabilities. We continue to make these investments both in our technology and in our domain areas.

During Q2, the quarter that just went by, Birlasoft earned the AWS AI Services Competency status, which recognizes our ability to deliver GenAI and agentic AI solutions on the AWS platform at production scale. AWS awarded the competency after reviewing several live client programs covering agentic AI and AI-led modernization of legacy applications, intelligent document processing, and governed analytics. This makes Birlasoft an AWS-validated AI partner, and this is already helping us win many more clients and businesses. The new multi-year AI engagement with the global logistics company that I mentioned earlier was secured on the strength of this competency.

Birlasoft is now an OpenAI Select Partner. This will enable us to continue working with OpenAI to help enterprises build, deploy, and scale AI solutions responsibly and effectively. Our core enterprise agentic AI platform, Cogito; our AI-powered test engineering platform, {? Lenix ?}; and our agentic AI operations and AIOps platform, Sigma, together drive our differentiated AI-led offerings.

Around a third of our code today, up from almost 25% a few months ago, is now generated using agentic AI tools. We have reimagined engineering workflows for more than 20 of our top services offerings with an AI-first approach. At the same time, human-in-the-loop controls remain in place for security, governance, quality, and reliability. We continue to embed AI across our service offerings, reimagine engineering workflows, and equip our people to work on agentic AI through our AI development lifecycle.

In terms of the outlook, with the demand environment remaining unchanged, and with H2 of our current financial year expected to reflect some furloughs in Q3, we still remain committed to investing in our technology capabilities and our sales organization. Given the pipeline, ongoing conversations, and seasonal uptick in renewals, we are well positioned to drive better financial performance in H2 FY27.

At this point, I will ask Chandru to share his perspectives on the quarter under review. Chandru?

Chandrasekhar Thyagarajan - Chief Financial Officer: Thank you, Angan. A very warm welcome to all of you joining us today on this call. Let me take you through some of the financial highlights for

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Q2 FY27.

Our consolidated revenue for the quarter stood at $143.1483 million, reflecting quarter-on-quarter growth of 2.1%. In rupee terms, revenue for Q2 FY27 was Rs.1,416.2 crore, representing sequential growth of 2.7%. Growth during the quarter was led by Manufacturing, BFSI, and our Life Sciences and Services verticals, which grew quarter-on-quarter by 5.2%, 3.6%, and 2.1%, respectively. As Angan noted in his remarks, the ENU vertical, which has historically been a steady growth engine for us, saw some softness due to a ramp-down of work for a customer in Europe. While we do not expect any further downside on that front, we do not see a bounce-back in the short term either.

Among service lines, Digital and Data grew by 3.4% quarter-on-quarter, and ERP grew by 2.9% quarter-on-quarter. The Infrastructure service line was affected by the drop in revenue in our ENU vertical, as mentioned earlier.

As you may recall, an organization-wide compensation increase was rolled out effective July 2026. Considering that and the ongoing investment we are making in our business, our EBITDA performance has been strong, with EBITDA for the quarter under review at Rs.2,153 million, or Rs.215.3 crore, equivalent to $22.5 million. Consequently, EBITDA margin for Q2 was 15.2%. This is within the range we had indicated earlier. This robust margin performance was enabled by a combination of factors, including continued focus on operational efficiencies, productivity improvements, and better quality of revenue. These have helped to partly offset the headwinds from higher wage costs.

Our PAT stood at Rs.159.6 crore, equivalent to $16.7 million. Our effective tax rate for the quarter stood at 29%.

Coming to some key balance sheet items, we have maintained our robust track record on collections, and our cash flow generation has also been good during this quarter. Collections during the quarter were $164 million, resulting in our DSO touching a 2-year best of 51 days. Our cash and cash equivalents as of September 30, 2026, stood at $300.4 million.

You may have already noted that the board has recommended an interim dividend of Rs.3 per share, in line with our continued commitment to reward our shareholders. We remain focused on investing in capabilities for future growth while keeping a close eye on costs and efficiencies.

Thank you very much. With this, I will now open the floor for questions.

Operator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may please press star and one on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Participants, to ask a question, please press star and one on your touchtone telephone.

The first question is from the line of Sandeep Shah from Equirus Securities. Please go ahead.

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Sandeep Shah – Equirus Securities: Thanks for the opportunity, and congratulations on good execution. Just one question in terms of the earlier quarters, when we highlighted that we planned to exit some of the low-margin businesses. Where are we in that context? Second, is it fair to assume that our annuity business could have increased materially versus what it was a year ago? If you can give some clarity on the same. Thank you.

Angan Guha – CEO and MD: Sandeep, thank you for your question. Our annuity business is obviously going up, but more importantly, our quality of revenue is also going up. From that perspective, I think the team has done a good job executing in terms of bringing in higher-quality revenue, and that is reflected in some of the financial parameters that Chandru spoke about earlier.

As far as getting out of negative accounts is concerned, I think that [cut off]

Angan: That job is done and over; it is done and dusted. As I said, Sandeep, even in the last call, the entire focus is now on driving sales, driving the pipeline, and driving the order book. We have significantly cleaned up our balance sheet, so that part is now done and dusted.

Sandeep Shah – Equirus Securities: And when you say better H2 versus H1, are you implying that Q3 and Q4 constant-currency sequential growth could be better than or in line with Q2?

Angan: Sandeep, as you know, Q3 is always a very soft quarter because of furloughs, fewer working days, the holiday season, and so on. Our job is to execute in Q3 as well, but it is a little difficult to give guidance, and as you know, we do not give guidance for Q3. What we can indicate, though, Sandeep, is that we are quite confident that H2 financial performance will be better than H1 performance. But as a management team, our complete focus is going to be on sales and delivering a strong order book for H2. I am sure the revenues will follow.

Sandeep Shah – Equirus Securities: Offshore contribution has been going up materially quarter-on-quarter and year-on-year. If you look at this quarter as well, it has gone up. So, could volume growth be materially higher than the headline growth in this quarter?

Chandru: Hi, Sandeep. On offshore going up, as Angan pointed out, this has been a concerted effort for us for four quarters now. We have been working on the quality of our revenues and on how we actually deliver to our customers in order to give them the best value. We expect this effort to continue and, therefore, we expect the improvement to remain as we move forward, Sandeep.

Sandeep Shah – Equirus Securities: And just one last question, Chandru. In terms of margin movement in the second half, what was the reason for the higher depreciation and amortization cost in this quarter? Can we consider the Q2 level to be a normalized level that will continue in Q3, Q4, or going forward?

Chandru: As Angan also pointed out, we do not provide guidance. But just to give you some color on the margin profile, we have been very closely monitoring our cost efficiencies over the past several quarters. Where you see us steadily moving toward is an EBITDA margin of around 15%. There could be small ups and downs given some of the seasonal impacts, as Angan pointed out, but our endeavor is to continue pushing toward the 15% level.

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This is in spite of, first, the salary increase program, which we believe is an investment in the resources that we wanted to make. Second, it is also in spite of the investment that we are making in our sales and service-line capabilities, which is a continuing effort for us. That is the margin profile.

Now, if you look at depreciation and amortization, there are a couple of factors that lead to it. First, we have started to reinvest in our physical infrastructure, particularly our technology infrastructure, and that investment is obviously driving some increase in depreciation and amortization. We are also refurbishing some of our offices and moving to better offices. That is the other reason why there has been a slight increase, but we expect that this will stabilize and will be absorbed in the overall business as we move forward.

Sandeep Shah – Equirus Securities: Thank you. If I have more questions, I will come back in the follow-up.

Chandru: Sure, thank you.

Operator: Thank you. The next question is from the line of Dipesh Mehta from Emkay Global. Please go ahead.

Dipesh Mehta – Emkay Global: Thanks for the opportunity. I have a couple of questions. First, regarding Q2, was the Q2 revenue performance in line with management expectations at the beginning of the quarter, or did it surprise you in terms of performance?

The second question is about the EBITDA margin walk. Can you explain how the various puts and takes in terms of the wage hike, investments, and rupee depreciation benefits played out in Q2? Considering that the wage hike is behind us, should we expect the Q2 margin to be the floor for the remaining part of the year, with the possibility of improving from here?

The last question is about deal intake. Net new deal intake, even on an H1 basis, seems to be softer. Can you provide some sense of how one should look at this and whether it could have some ramifications for growth? This quarter's growth is surprisingly divergent from some of these net new dynamics. If you can provide some color around it. Thank you.

Angan: Thank you, Dipesh, for your question. First of all, revenue was in line with management expectations. We knew that Q2 would be a relatively strong quarter. As you might recollect, our growth in Q1 was only 0.3%. From that perspective, the team did a good job on execution.

But, quite frankly, on the order book, I think we did not do a good job. We expected ourselves to do better. Unfortunately, some of the deals were pushed out to Q3. It is not that we lost any deals; they were pushed out to Q3 and Q4, which is why you see a soft quarter in terms of deal signings. That said, overall deal signings have grown 15% year-on-year on a half-year basis.

If I were to look at H2, as you know, Q4 is the quarter in which a lot of renewals happen for us. We are in discussions, so these renewals will come through. As far as net new business is concerned, which is why, to Chandru's earlier point, we are investing a lot more in sales and capability, it is an ongoing exercise. The complete management focus is to create more pipeline and deliver more signings.

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Our pipeline is steady. It has actually increased slightly, which is good news. However, as we hire more and more salespeople, it takes about a couple of quarters for them to show results. Our direction is very clear. Our direction is to completely invest in sales, stay invested in sales, and stay invested in capability building so that we can secure our long-term growth.

Chandru: Let me take the question on margin, Dipesh. The first point you were asking about was the quarter-on-quarter walk on margins. I can give you some high-level commentary on that.

First, we already spoke about increments. The increment affected margin by about 170 basis points on a quarter-on-quarter basis. We also had, as Angan discussed, investments in our sales and service-line capabilities, which resulted in some margin reduction.

With these two dampeners, there were two things that played well for us. First, the operating efficiencies that we have been driving over the past few quarters provided us with an offset. The other offset came from improved quality of revenue, as we spoke about earlier. This has come from trimming the tail accounts that we have done over the past financial year and from working through our revenue model itself.

It is a slow but steady process, as you can imagine. All of this has somewhat offset the impact of the wage increase and the impact of the investments we are making, but not completely. As I mentioned in the previous quarter as well, we expect that we should catch up in the next couple of quarters and be able to negate the impact of this wage increase.

Your second question on margin was whether I see this trajectory improving. The expectation is that it will stay in this range as we continue to make investments, Dipesh, and that is an ongoing effort. In fact, I fully expect that there will be some ups and downs given the seasonality of revenue, but that is a short-term issue that we will get over. In a steady state, our endeavor is to stay at or around the 15% range.

Dipesh Mehta – Emkay Global: Understood. Maybe I can squeeze in two more questions. On the furlough side, do you think furloughs will be in line with last year, or do you expect any changes in furloughs considering the client where you indicated some ramp-downs in the ENU business?

Second, I want to understand whether we have benefited from some short-term project that ramped up more quickly and led to better revenue conversion. Around two years ago or a year and a half ago, you indicated that some short-term programs had led to better revenue conversion compared to deal intake. Are we witnessing some of those programs starting and helping us achieve better revenue conversion?

Angan: Dipesh, currently, as you know, we have said for a couple of quarters now that our focus is to drive better quality revenue. Technically, we do not focus on short-term projects. We focus on long-term deals and annuity deals. However, there are times when we take on a project that needs to be implemented within an 11-month, 12-month, or 18-month period. But as a process, we are not focusing on short-term deals at all.

The benefit we got in Q2 was from true ramp-up and true execution, as well as the capability that the team showcased and the work it did to deliver. As our pipeline and order book grow, we will

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hopefully continue to see a lot of momentum on that.

On furloughs, we believe that furloughs will be no different from what we saw last year. They will be in the same range. At least as of today, we do not see any additional furloughs compared with what we saw last year. But it is a dynamic world. If something were to change in the next 30 days, I do not know. At least as of today, furloughs are at the same levels as we witnessed in the past fiscal year.

Dipesh Mehta – Emkay Global: Thanks for answering my questions.

Operator: Thank you. The next question is from the line of Girish Pai from BOB Capital Markets Limited. Please go ahead.

Girish Pai – BOB Capital Markets Limited: Thanks for the opportunity. Angan, a few quarters ago, in one of the media interviews, you indicated that FY27 was going to be a positive growth year. That is one point. In the opening remarks, you said H2 is going to be better than H1. But when I look at the last couple of years, FY25 and FY26, Q4 has been a dip versus Q3, a fairly sharp dip compared with Q3. How will things be different this year compared with the past 2 years?

Angan: Girish, as I said, we do not give guidance. But it suffices to say that the reason we are more confident of H2 becoming better than H1 this year is based on what we know today.

In the last couple of financial years, we were surprised by a couple of clients, which led to a sharp dip in Q4. As of today, and I will have to say this carefully, based on all our client conversations and the deals we are pursuing, we do not see a sharp dip in Q4. In fact, if we can execute the order book between now and January or February, we expect Q4 to be a reasonably strong quarter. But that is based on the situation today. If some surprises arise, then obviously we will have to account for them at that point in time.

As Chandru and I have both mentioned, we have invested heavily in sales and in our capabilities. The complete job and focus of the management team is to work on creating a pipeline and delivering good order-book growth between October and March so that the revenues can follow.

Girish Pai – BOB Capital Markets Limited: A few more questions. On advanced AI services, are you getting better margins, and was that a contributor to your margin performance in Q2? What is the delivery mix for advanced AI services? I see that the offshore mix has improved, and I am sure that AI services have also been increasing as a percentage of your revenue. What is the delivery mix for advanced AI services, and how are the margins in the advanced AI services that you are providing? What is the trend there? Are these margins improving over the past several quarters, or are they trending down because of competitive intensity?

Angan: That is a great question, Girish. As we have mentioned, and I will try and ans- [cut off]

Management: I will answer this question in two buckets. The first bucket is our own efficiencies. Clearly, more and more code is being written by machines with a human in the loop, and that is helping us achieve a margin uptick. That is an industry norm, and I do not think we are any different. But we are executing on that flawlessly.

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Most of the conversations that we are having with existing clients as well as new clients are very competitive because, in many cases, we have to commit to a productivity gain or better time to market for our clients while we are doing a deal. But what we are confident about and happy about is that the efficiencies we are able to drive by using agentic AI bots to generate code are increasing every quarter. Even in this quarter, we had a 10% increase in the amount of code written by machines. That is helping us with margins, which we are then reinvesting in sales and capability.

Girish Pai – BOB Capital Markets Limited: I want to inquire about the offshore-onsite mix of advanced AI services. I am not talking about AI services that address the core business, which is the legacy business. I am talking more about advanced AI services. Are they more offshore-oriented? That is the first point.

Second, there has been a move by a lot of the larger players to address the mid-market segment. Accenture and a couple of others have talked about it. Are you feeling more competitive pressure here?

Management: Devang, first of all, in advanced AI services, our offshore intensity is obviously much higher than our onsite intensity. But, quite frankly, with more and more machines driving some of the outcomes and with us signing up for an outcome, location is becoming agnostic for us. Clearly, based on the performance that you have seen in the last couple of quarters, the intensity of advanced AI services is far greater offshore than onsite.

As far as the mid-market is concerned, we play a very significant role in the mid-market, as you know from our client intensity. We are not seeing tremendous pricing pressure. However, when a deal becomes competitive, that is when we see a fair amount of pricing pressure. But given the capability that we have invested in and the differentiation that we are driving today, we are reasonably confident that we will be able to maintain margins. In fact, with the margin improvement that we can deliver, we will restart investing in our business.

Girish Pai – BOB Capital Markets Limited: Thank you.

Operator: Thank you. The next question is from the line of Ravi Menon from Axis Capital. Please go ahead.

Ravi Menon – Axis Capital: Hi, thanks for the opportunity, and congratulations on a good set of numbers. I guess if I look at the TTM trailing 12-month book-to-bill, we have actually had much better book-to-bill, but we have seen a lot more confidence and fairly broad-based growth this quarter. We also delivered good growth this quarter.

I am trying to understand how we were able to do that despite new deal wins still being below the high-water marks, even as recently as 3 quarters ago. This seems to be a bit different. Is it a lot of smaller deals coming through, or framework deals where that does not show up in TCV? What explains this?

Management: It is a combination of the last two things that you talked about. We have opened a lot of MSAs where we are working with partners, as well as using our own key differentiated capabilities that we have been able to deliver, through which we will land and then expand. That is a clear

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motion where we are seeing a lot of interest, and currently we are seeing a lot of intensity.

But the job is half done. I am not saying that we are out of the woods yet. We need to do a lot more work because we need to win larger and larger deals. Framework deals are coming in, we are signing more MSAs, and we are opening newer and newer accounts, but they eventually have to translate into revenue delivery.

The second part is also true: our deal sizes are becoming larger as we move forward. That is why the capability and sales investment we are making are intended to convert that momentum into deal-making. Equally, as I said right at the beginning of the call, we ourselves are not very pleased with our order-booking performance. We need to do much more if we need to secure our future growth.

We are fairly confident, based at least on the conversations we are having. As Chandru and I said, H2 will be better than H1. But we really need to deliver much more order book to secure the future quarters, which means FY28 and beyond. That is what we are working on now.

Ravi Menon – Axis Capital: Thanks a lot. Another question is on the other expenses line item. What has led to the increase here, almost 7-8% quarter-on-quarter?

Chandru: [pause] Give me a minute, Ravi. Let me collect the data here. Can we move to the next question? I will come back to you in a couple of minutes.

Ravi Menon – Axis Capital: Sure. One more thing on the healthcare vertical. I know it is a relatively small number and fluctuates quite a bit, but the margins seem to have dropped this quarter. What led to that?

Management: Life Sciences, as you said, Ravi, is a very small business. We believe the margins will stabilize going forward. One program led to this drop, but we are not unduly worried because, from Q4 onwards, it will get back to where it was in Q2.

Ravi Menon – Axis Capital: More broadly on demand, you are saying that it is fairly similar and that there is no change in the demand environment. But we have seen, at least among many of your larger peers, that BFSI seems to be doing well. How are you seeing that segment playing out for you?

Management: BFSI continues to be a strong segment for us, Ravi. As you know, we delivered growth even in Q2. Q3 is traditionally a furlough quarter, so we expect BFSI to be slightly soft in Q3 only because of furloughs. Structurally, there is no change. We will continue to grow Financial Services strongly from Q4 onwards. We are quite bullish as far as our Financial Services growth is concerned, and that is also a focus area for us.

Ravi Menon – Axis Capital: Thanks. Lastly, on the other [cut off] Yes, sorry, Chandru, go ahead.

Chandru: No, you finish asking your question; I can—

Ravi Menon – Axis Capital: I was asking about Anthropic, the mid-market-focused firm that launched Claude. Have you started coming across them anywhere? Are you in partnership with

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them? If you could talk about that.

Management: I cannot talk about that right now because we are under an NDA, but we are working in multiple areas as far as some of these partners are concerned. That is all I can say at this point. But you have seen our OpenAI announcement, I am sure, Ravi, and that is a big announcement. We are very excited about it.

Ravi Menon – Axis Capital: Thanks, all.

Chandru: Ravi, to pick up on your question around other expenses, there was one item that drove this increase on a quarter-on-quarter basis. We had an increase in our complementary workforce, which gets accounted for as other expenses. This was specific to a couple of clients where we had niche skills that were required at short notice. That is what is driving the increase in other expenses.

We have also had a revenue uptick in line with the increase in cost, Ravi.

Ravi Menon – Axis Capital: Thanks a lot, Chandru. I appreciate that. Thanks, everyone, and best of luck.

Operator: Thank you. The next question is from the line of Shraddha Agrawal from Asian Market Securities. Please go ahead.

Shraddha Agrawal – Asian Market Securities: Congratulations on strong execution. I have two questions. First is on the demand environment. How would you define the demand environment today versus what it was a quarter ago?

The second question is on utilization. We have seen utilization move up to a multi-quarter high. How do you see utilization evolving? Do you see it moving back to the previous levels of 85-86% that we used to have 3 years ago, or is this the more comfortable range that we are looking at in the near term?

The last question, if I may. On the increase in other expenses, you indicated that there was an increase in the complementary workforce, which is accounted for in this bucket. What has been the change on a sequential and year-on-year basis in this complementary workforce as a percentage of revenue?

Management: Shraddha, thank you for your questions. Let me talk about the demand environment, and then I will request Chandru to talk about the other two topics, utilization and the other expenses topic.

As we discussed at the outset of the call, we do not see the demand environment as materially different from what it was in the last quarter. I think the challenges still remain. We believe that we have been able to hold a lot of conversations in the new AI world. We are helping our clients in their AI journey, and we are feeling more and more confident that clients are having conversations with us and including us as they build their own AI posture.

From a demand perspective, it is still steady. It is not getting worse, but it is not getting better either. Chandru, over to you.

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Chandru: Shraddha, you had two questions, one on utilization and the other on other expenses. Let me take them in that order.

Utilization has been the result of concerted efforts that the delivery teams have put in over the past year, Shraddha. While I am not sure whether this will improve, we believe that we are at a point where we have achieved best-in-class levels. We will continue to have incremental improvement, but overall, we see it remaining steady. We do not see it going back to prior levels. That is one point.

On other expenses, you asked what is driving the change quarter-on-quarter and year-on-year. It is largely the same complementary workforce that I discussed. It is an addition of approximately 50 resources that we have had to make, and you will find this to be similar to what we saw at this time last year as well. The quarter-on-quarter and year-on-year comparisons are broadly similar, Shraddha.

With furloughs, if any, coming through in Q3, we will have to see how this goes depending on exactly where and what kind of work gets furloughed. This is a continuous balancing act that we will be managing on a quarter-on-quarter basis.

Shraddha Agrawal – Asian Market Securities: Great. Thank you. This was helpful, sir.

Operator: Thank you. The next question is from the line of Vikas Ahuja from Antique Stock Broking. Please go ahead.

Vikas Ahuja – Antique Stock Broking: Thank you for the opportunity. I have two questions. First, Q2 growth came largely from top clients. The top 20 now account for 70% of revenues. Active clients fell to 2,209, and $1 million to 68. Do you think this mid-sized client cutting is largely over, and going forward, especially in the second half, should we see broad-based growth?

Secondly, you did mention that ENU fell because of the ramp-down by a European client. Last quarter, you said that ENU should turn around from Q3. How much of that quarterly revenue that went away is a permanent loss and could return? You said at the beginning that there is no bounce-back expected in the short term. When do you expect ENU to grow again? Does this client have more work that could ramp down? Thank you.

Management: Vikas, first of all, our top 5 clients, top 10 clients, and top 20 clients have all grown, which is very positive news.

From our standpoint, as I mentioned to Debashis earlier, our exit from non-profitable accounts is done. It is done and dusted. We are very comfortable with the position we are in. In fact, the reason why we are investing more in sales is that, among the 209 or 210 active relationships that we have, we see immense opportunity to serve and grow them. That is a clear focus.

We are also focusing on net new business and bringing newer and newer logos into the funnel right now so that we can expand our base, considering that over the last 24-36 months, we cut off a lot of accounts. We are now back in investment mode. That is point number one.

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Point number two, as far as ENU is concerned, as Chandru also mentioned in his commentary, this is a one-time event. We do not believe that this will structurally change our ENU business. We will continue to serve [cut off]

Angan: Our clients here, and we will also continue to serve this particular client. I cannot give any more specifics because this is a client-specific conversation, and we would refrain from discussing specifics here. But we believe that our ENU business will absolutely turn around over the next 2-3 quarters.

Vikas Ahuja – Antique Stock Broking: Thank you, sir.

Operator: Thank you. Ladies and gentlemen, to ask a question, please press star and one now. The next question is from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra – HDFC Securities: Thanks for the opportunity. My question is on the continuation of the offshore shift that we had discussed. If I look at the offshore shift for us, it has been quite sharp compared with our peers and the industry. The impact of that is visible in the top line, but it is not visible in the margin.

Also, in terms of the effort mix, it has changed in a similar fashion as the offshore mix. Is this offshore shift being driven by the top 5 or top 10 clients, or is it more widespread across clients?

Angan: Amit, as I said, our top 5, top 10, and top 20 client buckets have all grown in line with company growth. We are quite pleased with this.

As far as offshore versus onsite is concerned, as we discussed in an earlier question, a lot of advanced AI work is now being done offshore, and there is a lot more intensity in offshore work than onsite work when it comes to advanced AI. That is why you are seeing the shift.

These are high-margin, or margin-accretive, engagements. However, as Chandru mentioned earlier, we are using this to invest heavily in our capabilities, both in sales and in service lines. Those investments will continue, and we would like to keep our margins in the range of around 15% that Chandru [trails off]

Amit Chandra – HDFC Securities: The second question is that we have seen a strong revival in the Manufacturing vertical. Can you provide more color on how confident we are about continuing this growth in the second half, especially in the Manufacturing vertical? What is happening in the sub-verticals within Manufacturing?

Angan: We do a lot of work in discrete manufacturing, as you know. That is a significant portion of the work we do there. We also work with process manufacturing companies, but we do much more on the discrete manufacturing side.

Again, I will not comment on quarter-on-quarter performance, but directionally, Manufacturing will deliver growth. I do not know whether there could be a blip in one quarter or another, but directionally, we are very happy with the conversations we are having. A lot of new logos are coming in, and the management team feels very confident that Manufacturing is directionally on a bounce-back.

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Amit Chandra – HDFC Securities: My third question is that we have a lot of surplus cash on the balance sheet. I know this has been asked earlier, but are there any plans to deploy that cash?

Management: [pause] Amit, I do not have any new information for you just yet. The board has to finalize this, and we will come back to you as soon as we hear back from the board.

Right now, we will continue to focus on the work we are doing, as Angan said, on growth, capability building, strengthening our sales effort, driving our AI-led capabilities, and improving our operational efficiencies, Amit.

Amit Chandra – HDFC Securities: Thank you, sir. Thank you, and all the best.

Operator: Thank you. Participants, to ask a question, please press star and one. The next question is from the line of Suchit, an individual investor. Please go ahead.

Suchit – Individual Investor: Am I audible?

Operator: Yes, you are. Please go ahead.

Suchit – Individual Investor: Good evening, management. Good evening, everyone. This is my only question because I have received all the answers from the other person who answered all the queries. My question is only related to AI.

Is the artificial intelligence that the company now has helping with internal operations, helping in servicing Birlasoft customers, or helping in something else? That is my only question. That is the first question.

Angan: Suchit, thanks for asking that question. The answer is both. First, the AI-led transformation that we are driving internally is helping us drive greater efficiency internally as well as for our clients.

Equally, we have AI-infused services that we offer to our clients. Whether it is Data, Digital, ERP, or Infrastructure, all of our service lines are now AI-infused. We have also created platforms that are AI platforms, which we use to service our clients.

It is helping us build a lot of newer pipeline and have newer conversations as we participate in our clients' AI journeys. To reiterate, it helps on both sides. It helps us drive greater efficiency and also helps us serve our customers.

Suchit – Individual Investor: Thanks. My second question is also related to AI. As you mentioned, you are deploying AI services and agentic AI services. Is this agentic AI service helping across all domains, including Manufacturing, BFSI, and others?

Second, is this AI only futuristic? I am not sure about it. Is the AI deployed in an internal data center managed by Birlasoft, or is it managed through cloud services such as Amazon? Is this AI going to increase power and electricity costs going forward if Birlasoft implements its own data center? When agentic AI comes in, the bots will remain offshore, which is why I am asking.

Will it help in the near future by bringing down HR and administration costs? I am not saying now; I am asking about the future. That is the question.

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Angan: Suchit, we are building AI services to serve our customers. All our service lines are now AI-infused, and we are using those services to sell to our clients and serve them.

We are not building our own data centers. That is the position. We will continue to serve our clients with the services that we build.

Operator: Sorry to interrupt. May we request the participant to please rejoin the queue? We have other participants waiting for their turn. Thank you. I now invite our next participant, Mr. Anmol Garg from DAM Capital. Please go ahead with your question.

Anmol Garg – DAM Capital: Thanks for the opportunity. I have two questions. One is on the hiring side. Is the hiring complete for the positions that were open earlier, particularly on the leadership side? Or are there any more positions to be filled on the leadership side?

Angan: Anmol, thank you for that question. The hiring is almost complete. We always look at talent from time to time and will continue to infuse talent as we become bigger and bigger. We will continue to look at talent.

But regarding the hiring that we set out to do a couple of quarters ago, all the leaders are now on board.

Anmol Garg – DAM Capital: Understood. Since most of the hiring has been completed, when can we expect net new deals to start flowing in with respect to the sales hiring that has been done? You have also indicated that some deals have shifted to the next quarter. From that perspective, can we expect Q3 deals to be better than the range we have seen over the last couple of quarters? I am referring to net new deals.

Angan: Anmol, as I said, the hiring is done, but we need to give the leaders time to come in and settle down for a couple of quarters before they become productive. I am not sure whether we will be able to show a meaningful difference in Q3. It will be a somewhat longer-term journey.

Directionally, I can tell you that our pipeline is looking stronger, with a lot of AI-related conversations in the pipeline. If we can convert some of those deals, then obviously FY28 will look better.

Regarding deals moving from one quarter to another, that is business as usual. Some deals do move. As long as we have not lost any deal, we are quite confident that when the decision is taken, we will be able to close it.

However, I cannot comment right now on whether Q3 will be better than Q3 of last year because we still have approximately 60 days to execute, and we will continue to work on that execution plan.

Anmol Garg – DAM Capital: Understood. That is it from my end.

Operator: Thank you. The next question is from the line of Sudheer from Kotak Asset Management. Please go ahead.

Sudheer – Kotak Asset Management: Hi, Angan and team. Congratulations on a good quarter. The last 1.5 years have been very muted for us because of multiple reasons, including macro conditions

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and some leadership churn. Last quarter, we saw some stability, and September saw very good growth acceleration. Now you are saying H2 will be better than H1.

With the leadership hiring now behind us, are you expecting H2, particularly Q4, to be very strong? Angan, is it fair to say that, absent any major macro shocks, we have turned the corner and that incrementally things should only improve in terms of revenue growth, even beyond H2? Is that a fair assessment?

Angan: Sudheer, two things are very important here. First of all, you are absolutely right. After many quarters, almost 6 quarters, we have been able to deliver some meaningful growth, and we are quite pleased with it.

Equally, as I said earlier, our order book was in line with what we expected. To say whether we will continue the growth momentum beyond H2 will depend on our signings in H2. If we have strong signings in H2, then of course, yes.

I do not believe that we have turned the corner yet. I think we have a lot more work to do. As I have been saying, our focus as a management team is to get our signings right. If we get our signings right, then our book-to-bill ratio will be strong. We have also done a reasonably good job in downside protection.

If we get our signings right, then our company will do well. But we are not there yet. Our signings are not anywhere close to where they should be. That is where the management team is focusing.

Sudheer – Kotak Asset Management: When you say Q4 is expected to be the strongest quarter this year, do you mean that this year's Q4 will be the strongest on a quarter-on-quarter basis? Is that a fair assessment?

Angan: Yes, provided we do not receive a shock like we did in the same quarter last year. If those kinds of shocks do not occur, then yes. But in today's environment, it is difficult for us to predict that far out.

Let us execute on our order bookings. As I said, the revenues will follow, and that is what we will be focusing on.

Sudheer – Kotak Asset Management: Fair enough. Thanks, Angan. All the very best.

Operator: Thank you. The next question is from the line of Girish Pai from BOB Capital Markets Limited. Please go ahead.

Girish Pai – BOB Capital Markets Limited: Thanks for the opportunity again. Angan, you said that you are focusing on signings and deal signings, and a few quarters ago you said that you would increase your sales force significantly by now. But when I look at the sales and support staff number, it is actually down on a year-on-year basis.

Has the sales employee number gone up while the support staff number has gone down? The current number does not show what the salesperson numbers are. Can you throw some light on that? Has the sales employee number increased materially on a year-on-year basis, as you

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indicated a few quarters ago?

Angan: Girish, first of all, we have done a good job rationalizing our support staff, with no question about that. We have invested in sales, and the sales numbers have gone up. If that was the question, sales numbers have gone up, while we have taken some hard calls regarding support staff.

From that perspective, we are continuing to invest in capability. Capability also means a lot of service-line leadership and capability creators that we are investing in. There are multiple investment areas.

Is this work complete? No, we will continue to invest there. But by and large, 90% of that work is already done. I hope that answers your question.

Girish Pai – BOB Capital Markets Limited: I had a few questions on your balance sheet. Your property, plant, and equipment number is up significantly year-on-year. I also see that other intangible assets have increased.

Girish Pai – BOB Capital Markets Limited: Can you throw some light on these two items and explain why these numbers are up significantly on a year-on-year basis? On an absolute basis, the numbers are not too high, but the year-on-year growth is quite substantial.

Chandru: Chandru here. I will take that question, Girish. I already spoke to you about one of the questions on depreciation and amortization going up. This is because of the technology infrastructure investments that we have made.

What you are seeing in the balance sheet, namely the increase in PPE, or property, plant, and equipment, as I call it, is because of the technology infrastructure and technology infrastructure refresh that we have undertaken over the past quarter. Actually, we have been doing this over the past couple of quarters, and that will continue for a while. That is one point.

Second, other intangibles have increased because of some of the investments that we continue to make in our capabilities. To the extent that some of those investments can be amortized, we are taking advantage of that within the accounting guidelines. That is why you are seeing intangibles increase on a year-on-year basis as well.

Obviously, they will have an amortization cycle determined by our internal accounting practices.

Girish Pai – BOB Capital Markets Limited: Thank you.

Operator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Angan Guha, CEO and MD, Birlasoft Limited, for closing comments.

Angan Guha – CEO and MD: Thank you. I would like to once again thank all of you for joining us on this call today and for your interest in Birlasoft. The ongoing investments in our technology and domain capabilities and in our sales team strengthen our confidence in the outlook for the future.

Please feel free to reach out to Abhinandan for any clarifications or feedback, and I look forward to speaking with you again. Thank you.

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Operator: Thank you very much. On behalf of Birlasoft Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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