Operator: Ladies and gentlemen, good day and welcome to Sasken Technologies Ltd. Q2 FY27 earnings call. As a reminder, all participants will be in listen-only mode. There will be an opportunity for you to ask questions after the management's commentary concludes. Please note that this call is being recorded. I now hand the conference over to Mr. Siddharth Rangnekar of CDR India. Over to you, sir.

Operator: Thank you, Inba. Good afternoon, everyone, and thank you for joining us on Sasken Technologies Ltd.'s Q2 and H1 FY27 earnings conference call.

We have with us Mr. Rajiv Mody, Chairperson and Managing Director and CEO of the company; Mr. Hareesh Ramanna, Director and President, Borqs Technologies; Mr. Anoop Sawhney, Chief Executive Officer, Silicon, Sasken Silicon; Mr. Yogesh Rathi, Global Delivery Head; and Mr. Priyaranjan, Chief Financial Officer of the company.

Mr. Rajiv Mody will begin by sharing his perspectives on Sasken's strategic direction and the key developments during the quarter. Mr. Priyaranjan will then take you through the financial performance for the quarter, following which we shall open the floor for a question-and-answer session.

Before we start, I would like to point out that there are certain forward-looking statements that could be made on today's call, and a disclaimer to this effect has been included in the earnings presentation that has been filed on the stock exchanges.

I would now like to invite Mr. Rajiv Mody to make his opening remarks. Over to you, sir.

Rajiv Mody – Chairperson, Managing Director & CEO: Thank you, Siddharth. Good afternoon, everyone, and thank you for joining Sasken's Q2 FY27 earnings call.

For those who may be new to Sasken, we are a product engineering and technology ER&D company. We work with global customers and hyperscalers to design, develop, test, and support technology products across their life cycle. Our work spans semiconductors, embedded software, automotive systems, communications, and connected devices. Our chip-to-cognition approach brings these capabilities together, turning technology ideas into products and solutions that can be developed, deployed, and scaled for our customers.

Let me start by sharing what we experienced in the market during the quarter. Technology spending is increasingly directed at engineering-led programs that connect silicon, software, and connected devices, which is where our capabilities sit. Customers are consolidating vendors and looking for partners who can take on larger, more integrated scope. In automotive, the longer-term shift towards software-defined vehicles, connected mobility, digital cockpits, and evolving electric vehicle architectures continues to create opportunities for engineering partners like us.

Similarly, in communications and connected devices, evolving network architectures and intelligent connectivity require specialized engineering capabilities. These are areas where Sasken has built experience over several decades and where it continues to engage closely with marquee customers.

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Over the past 2 years, we have brought semiconductor design, embedded software, connected devices, and ODM capabilities together into an integrated business. The priority now is for us to make these capabilities work seamlessly across customer programs, take on greater product responsibility, and translate this breadth into deeper relationships, stronger execution, and sustainable growth.

Artificial intelligence is changing both the products our customers build and the way engineering work is delivered. We see it as an opportunity to strengthen our business, while recognizing that customers will expect measurable productivity and quality improvements. Complex work in chip design, firmware, and safety-critical embedded systems will continue to depend on domain knowledge, validation, and engineering judgment. Our 4 priorities are internal efficiency, AI-enabled delivery, customer-facing AI capabilities, and organizational readiness. We'll measure progress by value delivered to customers and the improvement in our operating performance.

Turning to the quarter, Sasken recorded consolidated revenue of 321 crores, representing 26% year-on-year growth, while moderating 5.4% sequentially. Our scale was accompanied by improved profitability, with EBIT increasing meaningfully over the previous quarter, reflecting our focus on disciplined execution, even as we implemented annual salary revisions across levels in July, in keeping with Sasken's established commitment to its people.

We added 4 new logos in the quarter, expanding our active customer base to 101. Notable wins included a multi-year telematics engineering program with a leading European automotive group, cockpit and ADAS work for a European automotive OEM, engineering across applications, HMI, middleware, and testing for an Indian EV company, and an integrated asset-tracking solution spanning devices and software.

During the quarter, we also launched Juniper Alta, a new device developed end-to-end and brought to shipment within 18 months. The program demonstrates our ability to take products from concept through engineering and commercialization. These engagements demonstrate how customers are entrusting Sasken with broader engineering responsibilities. Our task is to convert these wins into steady program ramp-ups, disciplined delivery, and stronger returns.

Our customers continue to value how we work. Our CSAT stands at 4.5 out of 5, well above the industry benchmark of 3.75. At the close of Q2, headcount grew by 7%, with LTM attrition lowering to 9.3%, and utilization improving to 86%.

We recognize that the timing of customer decisions and program ramp-ups can vary. We'll remain close to customers, invest selectively in relevant capabilities, and maintain discipline around execution, margins, and working capital. As we have said before, scale must translate into stronger operating performance and sustainable shareholder value creation.

I'll now hand over to Ranjan to take you through our Q2 FY27 financial performance and other key operational details. Thank you.

Priyaranjan - Chief Financial Officer: Thank you, Rajiv, and good day to everyone. Q2 was a quarter of meaningful profitability improvement and healthy order momentum, supported by disciplined execution across the organization.

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Our consolidated revenue for the quarter was 321 crores, up 25.6% year-on-year and lower by 5.4% sequentially. This takes our first half's consolidated revenue to 660 crore, a growth of 24.8% over the same period last year. Software services continue to drive this growth, supported by operational efficiency and ongoing improvements in our business model. Software services revenue was 252 crores, up 34% year-on-year and 14.6% sequentially. Product solutions revenue moderated to 69 crores, up 2.4% year-on-year and reducing by 42% sequentially, as volumes were impacted by ongoing pressures relating to memory availability and component pricing.

It is useful to view our 2 business segments in the context of their different operating characteristics, rather than through a blended lens. Software services is driven by ongoing engineering engagements, customer spending cycles, and team ramp-ups, and is therefore more appropriately assessed on a quarterly basis. Product solutions, on the other hand, can have quarter-to-quarter variation depending on program milestones, shipment schedules, and product life cycles. We therefore believe product solutions are better evaluated over a longer period, rather than through the movement in any single quarter.

Our gross margin for the quarter stood at 26.8%, or 86 crores in absolute terms, increasing 64.7% year-on-year and about 490 basis points higher than the last quarter. Gross margin for the half year also improved to 24.3% as compared to 19.3% in the previous year. The margin improvement was primarily driven by favorable business mix, improved utilization, operational efficiencies, and exchange-rate gains during the quarter.

Software services gross margin improved by 160 basis points sequentially to 32.2%. Product solutions gross margin also improved to 7% in Q2 from 5.9% in Q1, supported by a ramp-up in silicon product margins.

As we benefit from operating leverage, EBITDA for the quarter was 41 crores, translating into an EBITDA margin of 12.9%, an improvement of 330 basis points sequentially and 700 basis points year-on-year. EBIT for the quarter stood at 29 crore, with an EBIT margin of 8.9%, up 250 basis points sequentially and 660 basis points year-on-year. Consolidated profit after tax stood at 26 crores, with a margin of 8%, up 8.8% sequentially and 143.8% year-on-year. For the first half of the year, EBITDA margin was 11.2%, EBIT margin was 7.6%, and PAT margin was 7.4%.

I'm pleased to report that we closed the quarter with a healthy order book. Our total contract value signed during the quarter was USD 47 million, of which 25 million represented new bookings and the rest was renewals. TCV increased by 66% over the same quarter last year. Annual contract value for orders won in the quarter was about 34 million.

Our customer base continues to expand as we broaden our revenue base. Contribution from our top 5 customers improved to 49% as compared to 56% in Q1, while contribution from our top 10 customers was at 63% in Q2. We continue to track the development of our strategic accounts and the conversion of new bookings into revenue.

Our balance sheet remains strong. We closed the quarter with a cash and cash investment position of about 399 crores. Our focus for the remainder of FY '27 remains on converting bookings into revenue, improving the quality of the business mix, maintaining cost discipline, and strengthening profitability. Emphasis remains on financial discipline and prudent capital allocation, while

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remaining flexible to invest in capabilities and opportunities that support the business.

With this, I'll hand the call back to our moderator to open the floor for questions.

Operator: Thank you very much, sir. Ladies and gentlemen, we will now begin the Q&A segment. Anyone who has a question may click the raise-hand icon located at the bottom toolbar on your screen. When called upon, you will receive a prompt to unmute. To ensure we provide space for as many participants as possible, we request you to limit yourselves to 2 questions per turn. We will wait for a moment while the question queue assembles.

We'll take our first question from Dev Golvany. May we request you to please unmute and go ahead with your question.

Dev Golvany – Care PMS: Good afternoon, Rajiv sir and team. Sir, since there is going to be a memory shortage going forward, how do you see the product solutions segment performing? What growth can we expect in the segment in FY27?

Rajiv: Can I request Harish to answer that question?

Harish: Thanks, Rajiv. We all know that the memory segment is very crucial for our product solutions, and that is one component which is in very high demand. Working with our enterprise customers, we are able to work with multiple semiconductor manufacturers to secure almost 90% to 95% of the memory required for FY27. So we are looking at a healthy next 2 quarters.

This is also through the multiple channels we have approached. One is through direct engagement with the various suppliers. Second, our customers have leaned on this, and they are helping us get memory from various other suppliers as well, through their partners and other partners, and we are also securing memory from the open market.

Last but not least, we are also changing the memory configurations from higher-memory configurations to lower-memory configurations to manage the cost. That has significantly helped us retain the outlook of our products and solutions. The higher-memory configurations obviously require more pricing; in other words, they are higher-priced devices. We also moved from DDR5 to DDR4 in most cases, so we are able to get larger orders because we moved to DDR4.

Dev Golvany – Care PMS: Okay, thank you, sir. And sir, what drove the sharp increase in revenue in the services business, the software business, and do we expect this trend to continue in coming quarters?

Rajiv: The 15% quarter-on-quarter growth is something really phenomenal that our team has delivered. I'm really proud of that. However, going forward, I think we would moderate that growth to slightly above the industry average, particularly for mid-tier or small-tier companies. So we should be delivering single-digit growth on a sustained basis, at least for the foreseeable future.

Dev Golvany – Care PMS: And what was the reason behind such a sharp increase?

Rajiv: I think we saw ramp-up on multiple programs happening simultaneously. But Yogesh, maybe you can shed some more light on that.

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Yogesh: As we have been saying in the previous quarter, we won a couple of large deals and there was a growth opportunity. We also modeled our bench in such a way that we were able to quickly ramp up people from the bench. The overall training programs being run by the company, by the capability engine, were also instrumental in making sure that the right talent was available when the ramp-up was required. So all these things—disciplined execution and overall synergy across multiple teams—helped us achieve this kind of phenomenal ramp-up in Q2 for the company.

Dev Golvany – Care PMS: Okay, sir. There has been an addition of new customers consistently each quarter, which is a very positive thing. But the customer mix across revenue buckets is unchanged since a year. So what is preventing smaller customers from scaling up, and what is your strategy to move them into higher revenue buckets?

Rajiv: It takes at least 1 or 2 years before we start seeing the scale effect come in with the customers that we start engaging with, unless, of course, there are earlier relationships that allow us to move very rapidly. We have seen this with one of the large hyperscalers, adding meaningfully to our numbers for the last 2 quarters and moving forward as well.

So we do believe that our focus is there from both sales and delivery, to ensure that we broaden our base, as we have promised, grow our customers, ensure that we are more broad-based, and scale our customers. I think we have seen movement, particularly in the 2 to 4 million bracket in the last quarter, as well as movement in the 1 million bracket of customers. The focus is obviously on seeing how we can sell more, both from delivery and sales.

Dev Golvany – Care PMS: Okay, sir. Sasken's incremental revenue also appears to be increasingly driven by new customer additions and smaller customers, while the absolute revenue contribution from the top 5 and top 10 customers has been declining over the last 2 quarters. What is the reason behind this, and how should we expect revenue growth from existing big customers going forward? This has always been a risk for Sasken for many years—the decline in contribution from top customers.

Harish: Let me take that. Our strategy of 60 by 4 by 3 was to actually broaden the base of customers who contribute to our revenues. It has been a conscious effort to see how more customers can contribute to revenue rather than being dependent on a few sets of customers. That effort is ongoing, and we would like to reduce customer concentration. That is the focus area for both the sales and delivery teams at Sasken.

Rajiv: Having said that, as far as I know, all the top 5 customers are the same names that were there for us in Q1 and Q2.

Dev Golvany – Care PMS: If I look at the data, in Q4 FY26, the top 5 customers contributed 187 crores, but in Q2 it has reduced to 157 crores. So isn't that a concern?

Rajiv: I am not, [trails off]

Harish: No, some of the revenues, when you see them on a mixed basis, include a product and services mix. The product mix definitely varies as shipments change. But largely, if you look at the services side of things, all the customers have actually grown in the quarter. So we don't see that as

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a concern at this point in time.

Operator: Mr. Golvany, I'm sorry, may we request you to return to the queue? There are several participants waiting for their turn.

Dev Golvany – Care PMS: Yes, I will be back in the queue.

Operator: Thank you. That question was from Dev Golvany of Care PMS. We'll take our next question from Kaustav Bubna of Kamna Holdings. Please go ahead.

Mr. Kaustav Bubna, you may go ahead with your question.

Kaustav Bubna – Kamna Holdings: Yes, can you hear me?

Operator: Yes.

Kaustav Bubna – Kamna Holdings: I wanted to understand—over the last few years, margins have been pretty volatile. Now that we segregate our business between software services and product solutions, could you give us some guidance on how to look at sustainable margins for each of these businesses, software services and product solutions? If product solutions margins are going to be lumpy, how do we look at it? What do you mean by your focus to improve margins as we go ahead is to improve the business mix, as you said in your opening comments? What do you really mean by that, and what levels of margins in each business should we see as sustainable?

Harish: Obviously, as explained in the opening remarks, software services margins and growth tend to be measured on a quarter-to-quarter basis because of the nature of how the engagement develops. But when we look at product solutions, we need to look at a longer-term horizon because of the product life cycle, from the design phase to commercialization. As a result, it is more reasonable to look at it on an annual basis.

Second, if you look at the gross margins that we have published, you will get an idea of how the margin distribution is divided between the software and product solutions businesses. Obviously, the overall portfolio mix will depend on how the scaling happens, and the ability of product solutions to scale up very quickly once we have a product win is generally much higher because it is not headcount-driven.

Third, if you look at software margins, I think consistently over the last 5 or 6 quarters, there has been a focus on continuously improving them. From a segment perspective, in software services, you wouldn't see volatility. You are seeing continuous improvement, which we've been able to institutionalize by changing the business mix, which means trying to make the business more ownership-driven, as well as trying to bring in concepts of non-headcount, non-linear revenues.

That effort is ongoing on the product services side. On product solutions, yes, there is a little bit of a challenge in terms of determining the quarter-on-quarter movement in margins because shipping volumes can definitely impact the absorption of overheads, which could impact margins. That will need some more time. We will have to ride the wave of the memory challenges and all of that before things stabilize and we see consistent improvement in margins in that segment as well.

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Kaustav Bubna – Kamna Holdings: Okay, but could you give some sort of understanding of what the steady-state margins could be on an annual basis when this business becomes more mature versus what it is today, specifically the product business? That is my last question.

Rajiv: At a run rate of about USD 60 million on a yearly basis, we should be delivering about 10% EBIT margins, Harish?

Harish: EBITDA margins.

Rajiv: EBITDA margins.

Kaustav Bubna – Kamna Holdings: Okay, this is the product business, right?

Rajiv: That is correct. Product solutions, which we are currently running at about 7–8 million per quarter, when we scale that business up to approximately 12–14 million per quarter, is when we will start seeing about 10% to 12% EBITDA margins.

Kaustav Bubna – Kamna Holdings: Fair enough. Thank you for that answer.

Operator: Thank you. Our next question is from Nikhil Choudhary of {? Toro ?} AIF. Please go ahead.

Nikhil Choudhary – {? Toro ?} AIF: Hi. Am I audible?

Operator: Yes.

Nikhil Choudhary – {? Toro ?} AIF: I wanted to understand: despite a dip in the product business, what led to the margin improvement in that business? You said that the margin improvement in the other services business was driven by resource utilization, operating efficiencies, and currency impact. What was the currency impact? I want to understand how much is structural, how much is one-off this quarter, and what sustainable run rate we should assume going forward.

Harish: Product margins primarily improved because of the operational efficiencies which we brought about in how execution happens, largely driven by some of the executions that were done from the silicon segment, where we had some challenges in the last quarter and which we've been able to recover from in the current quarter. Now we believe that some of these issues which we have solved will continue to give us good results going forward.

Volumes have also slowly started to improve on that side, so that will also help with better absorption. That is where the margin improvements can be seen in the product solutions business. On the exchange-rate front, which is dependent on the overall economy, I think about 0.5% of the margin improvement could be attributed to it from a quarter-on-quarter perspective.

Nikhil Choudhary – {? Toro ?} AIF: Understood. So technically, most of it is due to our internal, better utilization and operating efficiencies.

Harish: The operating efficiency comes from both sides. It is about how we are deploying people onto the project, how we are structuring the projects in terms of larger ownership, and how we are able to derive higher value for the services which we are providing. That is one part of it.

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The other part is execution efficiency in terms of trying to cut bench-related costs and make them more efficient, as well as taking advantage of scale to have better operating leverage.

Nikhil Choudhary – {? Toro ?} AIF: Got it. Thank you so much.

Operator: Thank you. Our next question is from Krupa Desai of Electrum Capital. Please go ahead.

Krupa, could you please unmute your microphone and go ahead with your question?

Krupa Desai – Electrum Capital: Hi, sir. Am I audible now?

Operator: Yes.

Krupa Desai – Electrum Capital: Hi. Congratulations on a good set of numbers. I'm fairly new to the company, so I may have some basic questions. First, in the product business, what exactly are we doing? Besides designing and writing software for the devices, are we also manufacturing?

Management: We take up turnkey solutions from our customers. What that means is that we handle everything right from concept to design to manufacturing, as well as support. We get the purchase order from the customers for the complete life cycle of the product, right from the concept to deployment, as well as after-maintenance support, which includes warranty.

Krupa Desai – Electrum Capital: Okay.

Management: We use third-party EMSs for manufacturing.

Krupa Desai – Electrum Capital: Okay. Besides this, out of this USD 47 million order book, can you give a bifurcation of how much is software and how much is the product solutions business?

Management: [pause] Let me just look it up. Roughly, about 38 million would be software services, and the remaining would be product solutions. [pause]

Krupa Desai – Electrum Capital: Okay. In the software business, is any part of the revenue recurring, platform-based, or IP-led?

Management: We do have certain IP-led revenues which are starting to build up. But a large part of the revenue that we derive is from supporting and either maintaining existing platforms or developing new platforms for our customers.

Krupa Desai – Electrum Capital: Okay.

Management: We have initiated and signed up for a program in our Silicon business, and maybe Anoop can brief us on that, which is IP-led, and we will derive royalties from that. Anoop?

Anoop: We have had a longstanding roadmap to continue developing our IP and then leverage that IP to derive direct IP licensing and royalty revenue, as well as attach that to additional services that we provide around it. We currently have engagements that take the core of our IP and license it, and then derive additional revenues when we enhance those IPs to suit the customization needs of our customers, and attach some royalties as those designed products go into manufacturing and

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are sold by those customers.

Krupa Desai – Electrum Capital: Okay. How much revenue right now is coming from that royalty portion?

Anoop: We do not derive any royalties yet. Royalty earning is a multi-year endeavor, which requires the customer to finish the design phase, continue through to manufacturing, and then proceed to the sale of those products. We expect to see that in the coming years.

Krupa Desai – Electrum Capital: Okay, sir. What is the growth guidance at the consolidated level?

Management: At the consolidated level, while we don't give guidance, we believe we will continue the momentum, both in expanding our top line and in our margins.

Krupa Desai – Electrum Capital: Okay, sir. Thank you.

Management: {? Krupa ?}, one correction: the order on the services side was 33 million, not 38 as I said.

Operator: Thank you. We take the next question from Divyam Doshi of 9 to 3 Capital. Please go ahead.

Divyam Doshi – 9 to 3 Capital: Hello, sir. Congratulations on the great numbers. I am fairly new to the company as well. I just wanted to ask one thing: the European telematics deal, the cockpit and ADAS deal, and the cellular SoC IP deal were all announced. When do we start recognizing revenue for them, or what is the plan for them?

Management: I think we have already initiated the program and have started to recognize revenue in Q2, and there will be further expansion starting in Q3. Is that correct, Yogesh?

Yogesh: Yes, I think so. Whatever deals we have won, we have already achieved the full ramp-up as of October 1. We continue to work on those deals and execute and deliver as per the customer's expectations.

Divyam Doshi – 9 to 3 Capital: I also wanted to know where we are on the 60 by 4 by 3 plan, which is our main USP.

Management: In terms of where we are on that, I presume you are asking 2 questions. One is about 240 million in revenue, and the second question is about broadening our business base.

On the first one, we are on task. As I said last time, we may be delayed by 12 months or so, but our focus is intense on seeing how we achieve that goal and objective, using both organic and inorganic means, and ensuring that we meet our objective. That is one point.

The second thing is that broadening the base is a continuous effort on our part to ensure that we broaden our base. That is a focus within the organization. You will see that we are representing and disclosing the progress we are making on that. That is a meta-goal that we have set for ourselves, to ensure that we really broaden our business base and do not get caught in the way we have been in the past.

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Divyam Doshi – 9 to 3 Capital: Okay, sir. That's it. Congratulations and thank you so much.

Operator: Thank you. Our next question is from Ritesh Chaudhry of Molecule. Please go ahead.

Ritesh, your connection is unmuted. Please go ahead with your question.

Ritesh Chaudhry – Molecule: Hello, am I audible?

Operator: Yes.

Ritesh Chaudhry – Molecule: First of all, congratulations to the entire Sasken team for such a wonderful set of numbers. My first question is about the European telematics win. Can you give a sense of the size, or even a range of the order, and how long the commitment is for us? Further, will it also fructify in our Borqs division later, if you can give some clarity on that?

Management: We may not be allowed to, or we would not, share the total deal size in dollar terms. But I can say this much: it is a multi-year engagement, for at least 3 to 4 years. It gives us a good entry into a large OEM and its software company, and allows us to expand further because of the presence we have now created with them in this area, and to systematically navigate and build our business with this large European OEM.

Ritesh Chaudhry – Molecule: Okay, thanks, sir. So there are chances that our other segments may also be involved in this deal itself?

Management: Yes. This is in the area of telematics, and we will systematically expand with them into other areas as well.

Ritesh Chaudhry – Molecule: My second question is about service revenue, which grew decently in the first half. Given that you carry 9 to 10 months of backlog, roughly how much of the second-half service revenue is already covered by signed-up orders? In general, what kind of growth are we looking at in {? FY28 ?}?

Management: On your first question, I think we would have about 90-95% of our revenues tied up for the second half, and all efforts are also underway to win more business in Q3 and Q4, which should add to that. Overall, we are fairly comfortable and confident about achieving our overall yearly numbers.

For the next year, obviously, we are targeting ways to sustain the momentum that we have created and find ways in which we can really scale and sustain what we are delivering.

Ritesh Chaudhry – Molecule: Okay, sir. One more thing: we said we have 101 active customers in the presentation that we posted. Can you clarify how many customers would have more than one engagement with us? Some might be in Silicon, engineering, or the Borqs division. Can we put a rough ballpark figure on it?

Management: Many of our customers will have multiple engagements, meaning multiple offerings that we are delivering to them. While we are not disclosing that, I can assure you that many of our customers are of the type where we have multiple engagements of different types, which is broadening both our growth and our stability with them.

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Ritesh Chaudhry – Molecule: Similarly, on the automotive side, we have recently talked a lot about automotive. Out of our current order book, how much would be automotive, if we can give a rough sense?

Management: I don't think we give that data.

Management: We only publish services and product solutions segment information. We don't currently publish vertical-level detail because, given our size, if you try to split the numbers by vertical, there will be quarter-on-quarter fluctuations that would not provide meaningful information for investors. At an appropriate size going forward, we will probably make that disclosure, but at this point in time, we don't give a vertical-based split.

Ritesh Chaudhry – Molecule: Fair point, sir.

Management: All I can assure you is that the order books are broad-based, and are not concentrated in one specific area. We have order books in semiconductors, automotive, devices—

Management: Communications.

Management: In communications and in our ODM—

Management: Satellite.

Management: Our semiconductors—each of these areas has a healthy order book as we progress.

Ritesh Chaudhry – Molecule: Okay, sir. One more thing: there is a spike in our inventory. I'm assuming it would mostly be memory?

Management: That is correct. It is a combination of largely memory and other components which are required to deliver to customers where there are supply-chain issues.

Management: But these are all backed by firm customer orders, so there is zero risk from our holding this inventory.

Ritesh Chaudhry – Molecule: Okay. Fair point, sir. That was it from my side. All the best for your future endeavors. Thank you.

Management: Thank you.

Operator: Thank you. Our next question is from Vimal Gohil of Alchemy Capital. Please go ahead.

Vimal Gohil – Alchemy Capital: Thank you very much for the opportunity, sir, and heartiest congratulations to the entire team at Sasken on a splendid quarter. It is very exciting to see our margins scale up, especially in the software business, to a level at which we are at par with or above some of the largest peers as well.

My question is for Anoop on the Silicon space. Given the environment we are in, a lot of enterprises globally are looking to bring things in-house. How can we capture this particular opportunity to help large technology enterprises in their endeavors to design their own silicon chips? How are we

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looking to capture that opportunity? Is it limited only to some of these large technology companies, or are we looking at similar opportunities elsewhere as well?

Anoop: Thank you for that question. That is indeed one of the founding themes of Sasken Silicon when we formed it as a group company, and it is a trend that we continue to benefit from.

What we've seen is that the companies traditionally known as silicon design and manufacturing companies are no longer the only ones designing custom silicon for applications. The trend has been obvious over the last 5 to 10 years: a lot of hyperscalers that would not have counted manufactured silicon as their core business are getting very seriously, with a lot of capital investment, into manufacturing their own silicon.

That trend is also being reflected by some medium-sized companies that need custom silicon to enhance the performance and quality of their products. We are going after all of those companies, and in fact they remain one of our strongest growth areas.

Vimal Gohil – Alchemy Capital: Anoop, how are we looking at the scale-up of this business? Of course, we're not reporting it separately, but what is the 5-year vision here, qualitatively? What are we looking at?

Anoop: We have multiple pillars in this business. This is something that we've expanded upon in previous quarters as well. Our consulting business, which is driven by helping companies design products of their own, and our IP licensing business are both directed towards capturing all the trends that we're seeing and continuing to [trails off]

Management {? Anup ?}: do better licensing deals and larger licensing deals, as well as help companies achieve greater and faster design cycles, especially the types of companies we just talked about.

The other part is how we leverage our know-how in silicon to derive product-level growth, design products, and continue to ship them, either completely owned by us or enabled for products of other companies. In all of these areas, we see very healthy growth available in the future on a secular basis.

As the semiconductor cycle continues, it helps the data center domain, the satcom domain, the communications domain, and all of that. We see ourselves riding the growth of all of those trends and helping all those companies.

Krupa Desai – Electrum Capital: Awesome, thanks, Anup. I have just one question on automotive. Given the environment we are in, some of our peers have been stagnating and are facing client-specific issues. A lot of large global OEMs have given profit warnings. In that backdrop, if you would want to share some qualitative efforts and outcomes that have led us to grow, how have we managed to grow when some of our peers are facing short-term or client-specific challenges? It is a tough environment out there, especially for autos. How are we doing there?

Management: I think the automotive industry is going through a transition, both from a macro perspective and from a technology perspective. Simultaneously, 2 things are coming together. One is the geopolitical factor, and the second is the technological factor.

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I think our closeness to technology is helping us navigate, because we do still see spending happening and customers having to spend on what is coming next. We have talked about this, and we are starting to see investments being made in high-performance computing and similar areas. Those investments are largely being led in many ways by the impact AI is expected to bring.

I think those are the areas where our focus lies, while we are managing and supporting customers in their current programs. Those 2 things, and third, a large part of which is our closeness to semiconductor partners, are the key pillars for us to continue building our focus, which is helping us navigate the tough environment out there.

Krupa Desai – Electrum Capital: Thank you very much, sir, and best wishes for the quarters ahead.

Management: Thank you.

Operator: Thank you. Our next question is from Hitesh Kumar of Kosha Capital Advisors. Please go ahead.

Hitesh Kumar – Kosha Capital Advisors: Hi. Thanks for the opportunity. I have 2 questions. One is on Borqs hardware, and another is on Sasken Silicon.

On Borqs hardware, I believe you have built a good front-end sales team for the North American market over the past few quarters. Could you share what the early market response has been to the Borqs hardware and ODM capabilities, and whether that has translated into any new logo wins yet? I believe Juniper is an existing account, but beyond that, have you added any new hardware customers, either in North American markets or anywhere else? How should we think about the pipeline converting over the next 2-3 quarters into revenues?

Management: Having a sales presence in North America has really opened up a lot of channels for us. We are getting a lot of RFPs from major US telecom carriers. We are about to sign a couple of closure agreements as well for some of our IoT devices. It is all in process. We look forward to a healthy next few quarters, during which we are going to sign at least a couple of them.

We got Best Buy back in our stable. Best Buy had gone to someone else, but we got Best Buy back. We were serving Best Buy 4 years ago, and we had stopped serving them, so they are back. In that way, we are establishing our credentials with major US carriers now. We are getting direct RFPs from them as well. We hope to convert a few of [trails off]

Hitesh Kumar – Kosha Capital Advisors: Great, good to hear that. Thank you. My second question is on Sasken Silicon. Within the Sasken Silicon business, how do you see the revenue mix shaping up between consulting and design services work on one side, and the end-to-end design through tape-out and production-support model on the other side, which I believe is more of an IP-driven segment? What is the current mix? How do you see this mix evolving? When do you really start seeing the IP-led revenues, which I believe will come along with the hardware supply? When should one look at that segment starting and scaling up?

Management {? Anup ?}: Thank you, Hitesh, for that insightful question. The first thing that I would stress is that the 2 revenue sources that you describe are not mutually exclusive. As I was pointing out earlier, having IP enables us to have a much stronger pitch and a much stronger value

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proposition for our customers to whom we provide consulting and services.

The reverse is also true: a lot of times, while we may have IP and other IP providers may also have IP, our ability to move and be very nimble, and actually customize our IP to the specific needs of the customer, helps us win that IP licensing deal as well.

To answer that question more specifically, our revenue right now is, on a very rough basis, split equally between the 2 types of deals. However, going forward, I envision that both of these will, as I mentioned, leverage each other's strengths. Our consulting and IP licensing businesses should both combine to become a strong revenue channel.

Hitesh Kumar – Kosha Capital Advisors: If you can share some numbers about the current size, I think last year we were about 6 million, if I remember correctly. How is that shaping up in the current year, and depending on the deal pipeline, should we expect healthy growth here as well? It is a small base, so I think growth should continue.

Management {? Anup ?}: I'll direct that question to Priyaranjan to guide us on what we can disclose.

Priyaranjan: Hitesh, we don't currently disclose separate entity-level or offering-level information. The segment-level information is what we'll be able to share. Having said that, I can tell you that Silicon has been continuously growing at a good pace. Given its small size, I think it is taking full advantage of that to scale up. We expect that to continue growing in the coming quarters.

Hitesh Kumar – Kosha Capital Advisors: Sure. Thank you so much, and all the very best to the entire team.

Priyaranjan: Thank you.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the floor back to the management team for closing comments. Over to you, sir.

Management: Thank you all for your time and your questions. We appreciate your continued interest in Sasken and the perspectives you have shared with us today. This quarter reflected improved profitability and healthy order momentum, supported by the trust our customers place in us for critical engineering programs.

Our priority remains consistent: building a business that is scalable and resilient. If you have any further questions following today's call, please write to us at investor@sasken.com or reach out to CDR India. Thank you once again for joining us. We look forward to engaging with you in the coming quarters.

Operator: Thank you, members of the management. On behalf of the leadership team, I would like to thank you for your time and for your continued interest in Sasken Technologies Ltd. Thank you, and have a good day. Goodbye.

Management: Thank you.

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Sasken Technologies

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