Basilic Fly Studio

Operator: Good afternoon, everyone. This is the first day of the Bharat Connect Conference 2026, September edition. I welcome you all to the call of Basilic Fly Studio Limited. Today, from management, we have Gaurav Mehra and Balakrishnan. Before I hand over the call to management, I will outline the flow of the event. We will start with the opening remarks by management and then move on to the Q&A round. Participants who would like to ask questions can raise their hands or put their questions in the chat box. First, we will take questions from participants who have raised their hands and then move on to the chat box. If time permits, we will take the questions that I have received from clients who were unable to participate. Please note that we will take the last question 5 minutes before the end of the session. Without any further delay, I would like to hand over the call to management. Mr. Gaurav, over to you.

Balakrishnan: Hello, Arihant team. I am Balakrishnan. I will take the lead and later hand over to Gaurav to provide the details regarding the financials. Is that okay?

Operator: Okay, Mr. Bala, please continue. Over to you.

Balakrishnan: Thank you so much. Good afternoon, everyone, and likewise, thank you, Arihant, for setting this up. I would also like to thank the potential investors for taking the time to join us today.

As long-term capital allocators, you evaluate companies on 3 fundamental criteria: durable competitive moats, pricing power across market cycles, and visibility of compounding. Today, I want to share how Basilic Fly Studio has evolved from an offshore execution partner into a globally integrated Tier-1 visual effects powerhouse.

The foundation is based on structural moats and integration. I would like to give you a historical snapshot of BFS. BFS began operations in 2013 and was incorporated as a private limited company in 2016. It expanded globally with subsidiaries in Canada in July 2021 and in the UK in April 2022. In September 2023, we went public with a record oversubscription of 287 times.

Building on that momentum, we acquired the Emmy- and BAFTA-winning UK studio One Of Us in July 2024. Most recently, in September 2025, we raised a second round of funding of 85 crore rupees through a QIP to accelerate both our organic and inorganic growth.

To talk more about our milestones, in July 2024, we took our most defining inorganic step by acquiring a 70% stake in the UK-based One Of Us. This integrated a 300-member team from a BAFTA- and Emmy Award-winning studio, celebrated for tentpole work on movies and TV series such as Crown, Napoleon, and the Oscar-nominated Mission Impossible, into our ecosystem.

Today, we operate a seamless global pipeline across 6 delivery locations in 4 countries: Chennai and Pune in India, London and Paris in Europe, and Vancouver in Canada. This is supported by a global team of more than 800 members.

We now partner directly with top global production houses such as Netflix, Amazon Prime, Apple TV, Disney, Warner Brothers, and many others. We are proud to share that 3 BFS Group projects, all 3 of our projects, were nominated in the top 20 list for the Academy Awards in FY26. These included Mission Impossible, Electric State, and {? Shutterbad ?}, which is a short film.

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Alongside this, we completed other marquee deliveries such as Star Wars, Citadel, Peaky Blinders, {? The Himatlar Man ?}, and Avatar: Fire and Ash, with service support from India as well, among others from the top of the list. This is the standard of work that our clients now expect from us, and it is the reason the world's leading studios and streamers continue to trust Basilic Fly with their most ambitious stories.

If you consider value-chain ascension and market catalysts, there are 4 strategic inflections that differentiate our growth trajectory.

Upstream creative migration is one of them. We are shifting from downstream shot execution to early-phase creative design. In recent months, our teams have developed end-to-end creative visual pitches for a flagship Apple project, aiding it into production. Entering pre-production secures vendor exclusivity, commands superior pricing, and locks in higher project gross margins.

The next factor is favorable industry realignment. Global theatrical box office demand is tracking toward US$35 billion, anchored by demand for VFX-heavy spectacles. In parallel, production activity has rebounded sharply in Los Angeles, with feature production days growing 52.3% year-on-year in Q1.

Furthermore, sovereign incentive programs across the Middle East, notably in Qatar and Abu Dhabi, are injecting fresh capital and unlocking regional opportunities to promote film and entertainment in their respective regions.

The third factor is how we are effectively using offshore delivery and AI to further reduce costs. We are transitioning from a blended London-Europe front-office model into a strategic migration of roles toward India to capture an enduring 30%-40% cost arbitrage immediately.

In addition, we have built AI tools into our compositing pipeline. This means that tasks that used to be done manually are now largely automated, creating greater efficiency and increasing the possibilities available to Basilic Fly. We are now entering a region where our previous work is allowing us to enter a new arena that previously was not possible for us in VFX, but AI has opened up new possibilities.

Routine work is completed faster, and our artists can spend more time on high-efficiency work.

In terms of domestic growth, we have expanded our domestic footprint by onboarding Netflix India and Amazon Prime for full-feature Indian originals. In Q1 FY27 alone, domestic OTT revenues exceeded 2 times our entire FY26 domestic revenue, creating an attractive, high-margin domestic revenue stream that dampens foreign-exchange volatility.

Likewise, FY26, which concluded last year, served as a proof point of scalability. Our consolidated revenue crossed the INR 408-crore milestone, of which INR 408 crore was GBP 35 million, marking our fourth consecutive year of strong growth.

We have already booked INR 105 crore in new international mandates from Tier-1 streaming platforms, securing 25% of our entire FY26 revenue base in a single quarter. In Q1 FY27 alone, we delivered 89 projects across 60 global clients and onboarded 10 new clients. Our active global bidding pipeline stands at INR 700 crore, with nearly 40% currently in advanced stages of

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conversion.

I will now turn the floor over to our Chief Financial Officer, Mr. Gaurav Mehra, for the detailed financial briefing. Over to you, Mr. Gaurav.

Gaurav Mehra – CFO: Thank you, Mr. Bala. Good evening, and welcome, investors.

From an institutional finance perspective, our focus in FY26 and FY27 has been to unlock operating leverage and expand margins by systematically migrating high-cost workforces to low-cost hubs, insourcing infrastructure, and automating repetitive pipelines.

Let me brief you on our key financials and margin drivers.

Top-line update: FY26 consolidated operational revenue reached 408 crore, representing 35% year-on-year growth and maintaining a CAGR of 73% over the last 3 financial years.

India's standalone performance was even stronger, reaching revenue of 120 crore for FY26, representing 64% year-on-year growth and a CAGR of 20% over the last 3 financial years.

Q1 FY27 consolidated revenue stood at the last year's run rate, amounting to 104 crores.

Margin update: EBITDA at the consolidated level grew by 19% year-on-year in FY26, reaching 85 crore versus 71 crore last year. EBITDA at the standalone level grew by 66% year-on-year in FY26, reaching 52 crore versus 31 crore last year.

EBITDA as a percentage of consolidated revenue for FY26 was 21%, or 20.8% precisely, versus 23.5% last year. In Q1 FY27, it was impacted and came down to 13.9%.

Standalone EBITDA as a percentage of revenue stood at 43.1% at the close of FY26, in line with the previous year's 42.6%. In Q1 FY27, it remained in the same range at 42.3%.

Q1 FY27 consolidated EBITDA percentage was primarily impacted by the foreign-exchange loss, one-off travel costs, and severance costs absorbed during the year.

I will now talk about the margin drivers. The focus in FY26 was to build 6 primary margin-growth drivers, and the focus in FY27 is to realize their full potential.

The strategic growth levers for the company in FY26 and FY27 are as follows.

The first is realizing offshoring efficiencies and fully capturing the cost benefits of shifting work to India.

The second is studio expansion. We are bringing our third city expansion, in Bengaluru, to full operational scale.

The third primary factor is AI and overseas work-pipeline integration to compress turnaround cycles, optimize production costs, and scale throughput.

The fourth factor is commercial pipeline scaling. We expanded our domestic and international business-development teams last year to scale our bidding volumes and conversion ratios.

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The fifth factor is inorganic growth. We are actively advancing our second strategic M&A opportunity to expand our capabilities and market reach beyond Europe and the UK.

The sixth, but not least, is Main Board migration, which is progressing well as per the planned schedule.

I will now cover the outlook and the investment summary. We enter the remainder of FY27 with Q1 FY27 recording 105 crore of consolidated revenue. We have a strong order book of 250 crore to be delivered and an active bid pipeline of 700 crore, 40% of which is in the advanced conversion stage.

We are working toward margin expansion by doing more offshore work. Thank you, and I now request the Arihant team to open the floor for Q&A. Over to you, Arihant team.

Operator: Participants who wish to ask questions can raise their hands or put their questions in the chat box. The first question is from Praneet.

Praneet: Hello, management. Thank you for the opportunity. First, I would like to understand, in terms of One Of Us, what happened? We paid out a lot, hired a lot of new key talent, and there was also a lot of talent that left. Is there any way for management to retain this talent? If we continue running this treadmill of losing talent, I think it will be difficult to scale. What exactly does management think about this? Are there any contractual obligations with the management team from One Of Us, or with the founders, to keep them in their positions there?

Balakrishnan: In terms of talent, I think you are referring to the redundancy or severance that we have been dealing with in London, correct?

In that context, what we have been trying to do is understand the strategic benefits that we can obtain from India and from London and Paris. The possibility is that we can perform certain activities from India at a lower cost, while keeping London and Paris balanced.

That way, we maintain the balance and do not lean more toward the Western locations. This is the reason we wanted to balance the 3 international locations, which will bring the cost down while allowing us to maintain the same efficiency.

That is why we are doing it in a more phased-out manner. At the same time, while we do this, we are working on the infrastructure and making sure that the teams in India can work seamlessly.

After understanding this, we have been phasing out how we can reduce the team. At the same time, it is a sensitive matter that we have been dealing with. We have been speaking with the teams in London as well as in Paris and explaining to them that this is not about insecurity of work. It is about balancing the global ecosystem, which everyone understands and accepts.

After that, we take these decisions and act accordingly.

Praneet: Has the balancing been completed, or is there still some balancing left to be done? There was a...

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Balakrishnan: There are certain areas on which we have been working in a more phased-out manner. When we do this, support functions are another area where we...

Management: We need to work on that. When we do this, the core operation is VFX. Overall, that is where we have done most of the work in terms of {? presence in there ?}. Likewise, we are building teams here in London—sorry, in India, in Bangalore. With the shared functions, there is another opportunity that we have been considering, and we will pursue it in a more phased-out manner as and when we identify opportunities.

Praneet: Understood, sir. One more thing I wanted to understand in terms of One Of Us: when we completed the acquisition, I think we had significant payables to settle with several vendors, including us. In terms of those payables, where do we stand today? I think they were around 130 crore when we completed the acquisition. How much have they come down now?

Gaurav Mehra - CFO: I will take that question, {? Mr. Bal ?}.

Management: Yes, please go ahead.

Gaurav Mehra - CFO: To answer that, whatever money we paid to One Of Us at the time of the acquisition, 100% of that money was infused into the company to settle all types of payables, whether statutory payables, employee-related payables, or others. All those payables now stand at a normal working-capital cycle. All liabilities have been discharged.

To add to your earlier question regarding investment in people, I think another important and critical point is that we onboarded and invested in a large business-development team. This started in September-October after the last fundraise, and it has been working very well for us.

The bidding pipeline of 700 crore is unprecedented for us. After delivering Q1 revenue of 105 crores, we still have an overseas order book of 250 crores yet to be delivered within FY27. We still have approximately 6-7 months, and the bidding pipeline is progressing.

This investment has paid off very well. To give you some perspective, our earlier average bidding size was in the range of 1.5-2 million. With several industry veterans, such as Adrian de Wet and others whom we have onboarded over the last 6 months, our average bidding size is now in the range of GBP 5-6 million.

This is helping us significantly by increasing bid volumes, increasing ticket size, and improving the winning ratio. We have secured a few initial wins with the new business-development team that has been onboarded, and this has helped strengthen the order book.

Praneet: Understood, sir. I would like a little more detail regarding the One Of Us matter. You mentioned that you infused money to settle the payables. Did we have a write-off situation on the vendors' side, or how much did we ultimately infuse? After the 34 crores, did we have to infuse a significant amount? What else did we infuse into it?

Gaurav Mehra - CFO: No. After the 34 crores, it has been managed on its own. As you can see from our balance sheet and everything else, after that it has been managed on its own.

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We are currently in an expansion stage, with growth taking place at the One Of Us level, and we have a sizable order book. Therefore, in the interim, there can be some support from the group level, but it is largely being managed through its own cycle.

Praneet: Understood, sir. I am just trying to understand a little more about the payables. Have they come down to a more normalized level, or is that level of payables normal in the ordinary course of business for that business?

Gaurav Mehra – CFO: It is absolutely at a normal working-capital level. There is nothing left over from the old payables that is still outstanding. Under the laws of the countries involved, you cannot hold any payable for such a prolonged period. All of them have been paid off.

Praneet: Understood, sir. Regarding the vendors for One Of Us, I think we were a vendor to One Of Us before the acquisition. How many vendors were there before the acquisition and how many are there after the acquisition? I am trying to understand how much of the work we were able to channel from One Of Us directly to ourselves.

I think they previously had other vendors as well. Is Basilic Fly today the only source for One Of Us, or are there still other vendors working with One Of Us?

Gaurav Mehra – CFO: Definitely, after the acquisition, it is only Basilic Fly and no other vendor. As you rightly mentioned, before the acquisition there were a couple of other vendors, and those have been entirely integrated into BFS as part of the group strategy.

Praneet: Understood, sir. In terms of the business that we used to do with One Of Us, what was the peak before the acquisition? As Basilic Fly was a vendor to One Of Us, what was the peak revenue we generated from them?

Gaurav Mehra – CFO: I would refrain from disclosing a specific number because this is not published information. However, I can give you a sense that whatever we used to do before the acquisition has grown to 3-4 times the earlier level.

Praneet: Understood, sir. We also mentioned interest in acquiring another entity, and I think you specifically mentioned the North American market. What is the reason for concentrating there? Is it because we want to diversify from Europe, because margins are better there, or because we are not able to address that market through One Of Us itself?

Management: I will take that up, Gaurav, if you...

Gaurav Mehra – CFO: Please go ahead.

Management: In terms of the North American market, it is about entering an additional new market. Europe is focused on obtaining more work from France, which has attractive incentives, and from the UK, where intellectual properties such as Harry Potter and other larger IPs are coming to Europe and the UK for shooting. That is where we obtain opportunities from both the UK and Paris.

Apart from that, there is a sizable mid-tier market for TV series in Canada as well as the US, which we also believe is an attractive market. It is an extension into a new market and a new stream of

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work in those directions. Capturing that market is where we believe it would be helpful to us.

It is not that we would be unable to address everything through One Of Us. It is more about acquiring access to new markets, new products, and different types of productions that take place in those locations.

Praneet: Understood. I have one question regarding talent retention. In terms of talent retention, at least at the leadership level, how does that work in this industry? Could you explain whether it is based on contractual obligations or how these matters work?

Management: Apart from contractual obligations, we also have bonus incentives for team leads and key executives, based on what they are able to achieve over a period of time. That is one aspect.

Apart from that, it is a global role, and we provide more opportunities to work across the world. That also motivates them, in addition to the bonus incentives.

If you consider India, we are one of very few companies—perhaps 2 or 3 companies—where we have this global model, allowing people to work on international projects through different collaborations. This can be more exciting for people and can also become part of their CV, as they get to work in these challenging roles.

That is another incentive.

Praneet: Understood. I have one more question regarding the size of your team and the percentage of the team allocated to each type of work. I understand that roto is the most basic work and has the highest chance of being replaced by AI. I am trying to understand what percentage of our workforce is engaged in this basic VFX work, where there is a high risk of AI taking over or reducing the number of hours.

Management: I would say that approximately 85% of the team would be engaged in this work, while 15% are involved in other areas. We use process-driven AI. It is not generative AI that we work with, but process-driven AI, which really helps simplify tasks.

For example, for the basic work you mentioned, there were instances in the past where we needed approximately 50 artists. Now we have been able to manage that work with 20 artists.

Where we have really increased our capabilities is in creating more assets, as well as in pre-visualization and post-visualization. We are also generating assets from grayscale depth maps. These are the areas where we have created more possibilities.

Even in the industry, the possibilities for de-aging, face replacement, and creating CG animals or assets have increased significantly. A lot of shows are now being produced using these capabilities, compared with previous periods. In such cases, we have increased the size of those teams and equipped them with technology.

Without getting too technical, we have a ComfyUI workflow. We have previously mentioned how we integrated ComfyUI into our compositing and CG full-service workflow. Through this, we are giving more artists access to advanced technology and enabling them to deliver more efficient work that

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was not possible before.

This is the current setup of how...

Praneet: Understood, sir. But in terms of AI actually disrupting the industry by taking over certain processes, how are customers responding to the processes you mentioned, and how is the overall ecosystem responding?

I understand that AI is changing every day. What has been the impact on pricing? There has been news that pricing has taken a hit because of AI and the rapid increase in supply after the writers' strike. Has pricing stabilized, and what is the current impact of AI? Where do we think it will go?

Management: If you talk about pricing, it is very much based on how quickly we can deliver the work and on the estimated number of days. For example, if we have to deliver certain work in 1 day or 3 days, our estimates are mainly based on that rather than on how effectively or quickly the work has been handled by AI.

It is a hybrid approach. I would not say that the work can be handled entirely by AI, nor would I say it can be done entirely using traditional VFX. It is about how we adapt and how advantageously we use it.

With only AI, or with someone who is not a professional or is less experienced, it would not be possible to do what we have been able to do. It still requires a highly experienced professional along with the process.

This is not as straightforward as everybody assumes. The AI videos that you see on YouTube or Instagram are very different from what we do at a cinematic level and at high resolution. Adapting AI to that level, including depth maps and all those elements, brings in a lot more technical substance.

Based on that, AI is not reducing pricing. It creates an advantage for us. If I go to market against 3 or 4 competitors, we are more advantageous when we have these assets and this technical capability in our toolkit. That will really help us win projects when we get...

Praneet: Understood, sir. I understand the AI aspect, and that is great. But regarding overall pricing, after the writers' strike there was significant supply in the VFX industry. There has been some pricing depreciation in terms of the rates we are able to charge because supply increased so quickly. Has that stabilized?

Management: I understand your point. After the strikes, and since it has been a couple of years, pricing was affected because supply was lower at one point, while there were more people, companies, and competitors entering the market.

That was a period when we had to deal with very aggressive pricing. We had to offer discounts and take on work between 2024 and 2025, particularly through a large part of 2025.

If you look at 2026, 2027, and moving forward, significant incentives have come from governments, which support production houses in creating more content.

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For example, Ireland has introduced a 40% tax incentive that recently became effective. The UK government has also introduced incentives, as has Paris. We already had a 40% tax incentive in Paris, but there was a change in one of the line items, which means that more costs have been included in what qualifies for the tax incentive.

This has increased momentum in Paris. With a 40% tax incentive, a production company can invest and receive 40% back. That is encouraging production companies to create more productions.

These are encouraging factors driving more production. When we see more productions coming into the market, it supports momentum. We can see stronger momentum, and after a couple of years we can also see studios continuing to open.

Before 2021-2022, we could see studios opening in different locations. That momentum is starting again in the industry, and we are seeing people looking at New York, Ireland, and a few other locations where they are trying to expand.

These progressive actions are also taking place against the background of active productions that are coming up based on the tax incentives, including in California.

Management {? Ramni ?}: Earlier, the question was whether tariffs should be applied, but now they have moved back toward incentives. Federal incentives are being introduced, and there is a lot of news coming out of that, which will encourage more production.

Management: To add to that, Mr. Ramni, and to answer whether prices have returned to normal, the expectation of extremely aggressive pricing definitely arose when supply increased after the strike period.

As management, we adhere to our standard margins. There have been a few cases where we had to say no because the expectations were too aggressive, and we declined that work.

With a couple of exceptions, pricing has largely settled into the range where it should be for everyone, because it has now been more than a year since the strike ended. It is almost at a normal level by now.

There are still a few players who expect pricing to be much lower or try to take advantage of the situation. We say no when the work does not fit our rates and pricing. These are not material instances, but pricing is largely in the normal range after the strike by now.

Praneet: Understood, sir. Coming to our forecast for the year, you mentioned that we have an order book of 250 crores remaining with One Of Us. Is there a larger order book with Basilic Fly itself, or is that 250 crores simply to be executed in the second half?

Management: To give you visibility, Basilic's work is primarily subcontracting work from overseas. We receive work when the studios have additional capacity requirements and want to take advantage of cost arbitrage and obtain quality work at a lower cost.

When we refer to the 250-crore order book, it primarily relates to our overseas subsidiaries, which are engaged for entire web series where we have signed contracts for longer series.

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The India order book will be over and above this because the India work is generally based on soft contracts with a shorter period of 2-3 months at any point in time, after which it follows a running cycle. Therefore, the India order book will be over and above the stated 250-crore number.

Praneet: How much of the Indian business comes from One Of Us, sir?

Management: Last year, we closed with 408 crore of operational revenue, of which the India business was 120 crore.

Praneet: Of that 120 crores, was all of it from external customers, or did it also include One Of Us?

Management: The standalone figure definitely includes intercompany revenue from One Of Us as well.

Praneet: I am trying to understand the intercompany aspect. When it is recognized at One Of Us, is it also recognized at BFS? How exactly is it recognized when we have intercompany transactions?

Management: As per the accounting guidelines and principles under Ind AS, we recognize all intercompany revenue, receivables, and payables when we publish the standalone financials. At the consolidated level, everything is eliminated.

Praneet: Understood, sir. So basically, the standalone figure is more likely to represent external revenue itself.

Management: I would not say that it is entirely external revenue. I am not splitting how much is intercompany and how much is external, but it is largely third-party external revenue.

Operator: Arihant, I think we lost the connection. There is a question in the chat box from Abhishek Shetty. He is asking about expected FY28 revenue and EBITDA margins, why our receivables have been so high, and when we can expect free cash flow to turn positive.

Management: I will take those questions. To answer on cash flow, we have had positive cash flow from operating activities in all the years—FY25, FY26, and the current period. So we are positive.

Coming to receivables, there has been significant progress compared with the earlier position. The sticky portion of the receivables relates to the strike period, and it is being paid in tranches on a regular basis.

It has come down substantially from the number reported at the end of March in FY26. We will be able to provide the number when we publish the H1 financials. We will be happy to share a more precise number, but there have been sizeable recoveries over the period.

Operator: There is another question from Abhishek. What growth opportunities and capex has the company planned in the coming years that can open doors for significant revenue generation and margin improvement?

Management: There are ample opportunities. To call out the significant ones, Mr. Bala mentioned that we are opening our third city, Bengaluru, in India.

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This is a sizable facility, with more than 100 seats. It is already operational; it is not starting from scratch. It currently consists of people working from our existing offices and from home, and we want to bring everyone into the office to scale it to the next level.

This offshoring opportunity itself will provide high operating leverage to margins at both the India and consolidated levels.

Coming to the other opportunities, as briefly mentioned, our bid pipeline stands at an unprecedented level of 700 crore. We have never reached such levels, and approximately 30%–40% is in the advanced negotiation stage. This is working well in terms of both the top line and margins.

The third major factor for unlocking greater leverage is the next M&A transaction. This is also at a fairly advanced stage, and as soon as it materializes, it should add a substantial amount to both revenue at the top line and EBITDA at the bottom line.

Management {? Ramni ?}: To add to that, apart from traditional VFX, we have been working closely on immersive experiences, including large-format and other experience formats.

This is an emerging industry and an extension of what we are currently doing. It uses the same set of expertise and can extend into different formats.

That is where we have been keen to develop capabilities for the future. We would like to start this by calendar year 2027 and get it moving. We believe it could be a growing industry that would help us build more revenue and enter different horizons apart from the entertainment sector alone.

Operator: There is a question from Bhavya.

Bhavya: Hello, everyone. Good evening. I wanted to ask what our ticket size is and how it has evolved over the past year or so. What is the expected turnaround time for these projects?

Management {? Ramni ?}: When you refer to ticket size, do you mean the size of the projects? Hello, Mr. Bhavya. To answer your question, previously we generally worked on projects with ticket sizes between GBP 1.5 million and GBP 2.5 million. At that level, we were able to take up and deliver more projects.

At present, with more senior key hires, including Adrian de Wet and other members of the new business team, as well as senior production-side VFX supervisors whom we have hired in London, such as Stuart Lashley and Abhishek Nayar, we have reached a position where we are looking at and taking up projects with ticket sizes of GBP 3.5–5 million.

Some projects are in the range of GBP 7 million, and we are bidding on projects of more than GBP 10 million, from which we may secure a share of approximately GBP 4–5 million.

We have therefore evolved from the ticket sizes we handled earlier and are now taking up projects of this size. This gives us greater visibility and also helps us plan more efficiently.

Bhavya: Understood, sir. Another question: could you please tell me more about how the migration of roles from Europe to India is progressing? How do you plan to proceed, and what kind of cost

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benefits can we expect from it?

Management {? Ramni ?}: In terms of migration, we initially had a 2D setup. We directly reduced the roles in London and took up those roles in the first phase, which primarily involved 2D service roles.

Apart from that, there are other roles with more specific requirements, such as 3D artists, high-end compositing, pipeline roles, and pipeline developers.

We worked on those roles more recently, during the last year. We were able to move certain artists, reduce some contracts, and reduce some permanent roles, while taking up the work in India.

We are now entering an area where we are migrating not only support services but also more high-end roles.

To add to that, we are now looking at establishing a physical space in Bangalore dedicated more specifically to Basilic Fly. The reason for choosing Bangalore is that it has larger VFX studios and a larger VFX ecosystem for more creative VFX work.

Bringing those artists in and establishing them in that location would be beneficial. That is why we are building the Bangalore facility. The physical space should be available sometime around November or December, but we are already recruiting and placing talent remotely for now, which will help build further momentum.

This is based on the plan we had from the beginning, starting in year 1 and year 2, through which we have been able to execute the migration in a phased-out manner.

We are ready for this because we have also worked on the infrastructure. That is why we can take more steps now. Through seamless connections between India and the other locations, using hybrid systems and other arrangements, we have been able to connect our artists in India with the teams and build relationships between them.

This helped build trust, and we took approximately 1.5 years to establish it. Now everything is in place, and we are able to execute this phased migration more effectively than before.

Management: Just to add to that, Bhavya, there are 2 aspects of offshoring. The first is moving existing roles to the offshore location. As Mr. Bala mentioned, it is a combination of 2 things: technology upskilling and technology enablement.

Over a period, we invested money in technology, and we can now perform the work seamlessly from the offshore location. In parallel, technology upskilling was also taking place.

We have already transitioned a significant number of roles from onsite to offshore, but a larger portion still needs to be moved as we complete the process.

We shared in our earlier press release the completion of our USD pipeline and the expansion of our server capacity, which is mandatory to move such roles.

The next important point is that, with the growth currently taking place, India, as part of the group strategy, is the primary and first preference for hiring any new employees. Hiring overseas is being

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kept to a minimum wherever possible.

This is adding not only to the movement of existing roles but also to the placement of all new opportunities in India. It is therefore a two-fold benefit.

Bhavya: Understood, sir. Could you provide a range or a number for the cost benefits? What kind of cost benefits can we expect from this migration?

Management: The numbers are quite sizeable. To give you some perspective, the difference between the average salary in an offshore location and the average salary in an onsite location can be as large as 6–7 times, depending on the role, seniority, and other factors.

The difference is therefore substantial. If you look at our standalone financials, I think we lost the investor. Arihant, I believe we lost...

Operator: There is another question in the queue from Abhishek Shetty. He is asking about revenue and PAT CAGR guidance for FY28.

Gaurav Mehra – CFO: I will refrain from providing guidance, but I would like to point out that our revenue CAGR over the last 3 years is 73%, and I have also mentioned EBITDA and other CAGR figures. The growth has been substantial on both sides.

This has been organic expansion so far, but we are now looking beyond organic expansion toward inorganic expansion as well, with the next M&A transaction. We expect the numbers to be very strong as soon as that materializes.

Mr. Bala mentioned that we have invested in a very senior business-development team, which is helping us secure larger wins in terms of both volume and ticket size.

We expect our growth rate to be maintained. Last year, our growth in {? India ?} was 64%, and our growth at the consolidated level was 34%. We therefore expect the growth momentum to continue and progress to the next level through these larger initiatives.

Operator: Pujit Agarwal would like to speak.

Pujit Agarwal: Hello. Good evening. I am fairly new to the company. I would like to understand more about the company and your objectives. Over the next 3 years, what is your aim and what is your guidance? What are the key bottlenecks that you believe you are currently facing in order to achieve those objectives? Thank you.

Gaurav Mehra – CFO: Hello, Mr. Pujit. Thank you for the question.

To explain our vision for the next 3 years and our plan moving forward, when we started, we were primarily an Indian service provider operating from the Indian ecosystem.

From there, we evolved into a full-service VFX production house and VFX service provider. We can now work with Netflix, Amazon, Paramount, and other major production houses. If you name any major production house, we work with them directly, either as a primary vendor or as a lead secondary vendor. That is where we are positioned at present.

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We are now looking at evolving beyond being a VFX studio into a hybrid media company. We want to continue doing traditional VFX for film and television, while also supporting large formats and other areas. We also want to collaborate closely with storytellers on pre-visualization and post-visualization, creating concepts and working in those areas.

We are already working in these areas, but we want to do so on a larger scale. We want to expand not only within traditional formats but also into other sectors.

That is where we are trying to extend our expertise. Through technology and by entering new avenues, we are looking to expand our business into different horizons over the next 3 years.

Pujit Agarwal: Understood. So we are not entering content creation. Is my understanding correct? I mean content creation and content ownership?

Gaurav Mehra – CFO: If you consider immersive experiences, when I referred to collaboration with storytellers, it is more of a collaboration. It is not that everything would be handled by us, but we would take responsibility for our part. We would be a co-partner, not a production partner, and would take up the relevant mission on our side because we have the expertise to create it.

For example, in one of our VFX projects 3-4 years ago, a production company would shoot a set over 3-4 days or 3-4 weeks. Sometimes they would shoot an action sequence on a set, and we would remove safety equipment and perform other VFX work to facilitate the action sequence.

However, with technological advancement, we can now create the set, the digital set, and the environment entirely digitally. We can create the action sequence using real-time and hybrid technologies that we have developed.

Through this, we can create the digital environment, and virtual cinematography can be handled in-house by us in close collaboration with the director.

We are therefore pushing ourselves into that zone. Moving forward, we want to be at the front end, where we can create digital content using our expertise and technology.

That is where we are heading. We intend to work closely with filmmakers on concepts and other aspects, where we would be a collaborator and close partner.

Immersive experience is another area we want to enter. It involves creating an experience through storytelling. I hope that was clear, or if you need any...

Operator: Hello, sir. Due to time constraints, we will have to close this call. Hello? Hello, sir, am I audible?

Gaurav Mehra – CFO: Yes, {? [unclear] ?}. Please go ahead.

Operator: Yes, we will have to close this call. I would like to thank management and the participants on behalf of Arihant Capital for sparing their time and sharing insights about the company. If participants have any further questions, they can get in touch with the team at Arihant Capital.

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Gaurav Mehra – CFO: Thank you, Arihant team, and thank you to all the participants. Your questions helped us provide further details. If there are many more questions, we would always be happy to answer them. Although the session was a little short, we would be happy to answer any further questions that come from the team.

You can facilitate the participants' questions to us, and we would be happy to answer them. Thank you.

Operator: Thank you, Mr. Gaurav. Thank you, Mr. Bala.

Balakrishnan: Thank you so much.

Operator: Thank you to all the participants.

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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