August 4, 2026

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001.

**Scrip ID:** BSOFT
**Scrip Code:** 532400

**Kind Attn:** The Manager,
Department of Corporate Services

**National Stock Exchange of India Ltd.**
Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400051.

**Symbol:** BSOFT
**Series:** EQ

**Kind Attn:** The Manager,
Listing Department

**Subject: -** Transcript of Earnings Call held on July 28, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the earnings call of the Company organized on July 28, 2026.

The same is also available on the Company's website at the link https://www.birlasoft.com/company/investors/policies-reports-filings#, under the head - Quarterly Reports → Earnings Call → Transcript.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **Birlasoft Limited**

Sneha Prashant Padve
Digitally signed by Sneha Prashant Padve
Date: 2026.08.04 20:04:07 +05'30'

BIRLASOFT LIMITED

Sneha Padve
**Company Secretary & Compliance Officer**
**Membership No. A9678**

# Birlasoft Limited Q1 FY27 Earnings Conference Call

## 5.30pm IST, 28 July 2026

**MANAGEMENT:**
**MR. ANGAN GUHA, CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**
**MR. CHANDRASEKAR THYAGARAJAN, CHIEF FINANCIAL OFFICER**
**MR. ABHINANDAN SINGH, HEAD - INVESTOR RELATIONS**

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(1 crore = 10 million)

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call hosted by Birlasoft Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone.

I now hand the conference over to Mr. Abhinandan Singh, Global Head — Investor Relations, Birlasoft. Thank you, and over to you, Mr. Singh.

**Abhinandan Singh:** Thank you, and welcome, folks. By now, you'd 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 CFO Mr. Chandrasekar Thyagarajan or Chandru, as we call him. We will begin the call today with opening remarks from both Angan and Chandru.

But before I hand over the floor to Angan, a quick reminder that anything that we say on this call on the company's outlook for the future could be a forward-looking statement involving significant uncertainty and, therefore, that must be heard or read in conjunction with the disclaimer that appears in our investor update, which you would have received and is also uploaded on our website as well as filed with the stock exchanges.

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

**Angan Guha:** Thank you, Abhi. Good morning and good evening to everyone wherever you are, and thank you for joining us today as we share some perspectives on our performance for the first quarter of the current fiscal.

We've delivered a revenue growth of 0.3% in constant currency quarter-on-quarter. However, the revenue has been flattish in dollar terms. In rupee terms, we've grown 2.3% sequentially, and we have grown 7.4% year-on-year. Our EBITDA margins have normalized to 16.1% without any one-off items like we had in the past quarter, and it is closer to our sustainable range.

EBITDA for the quarter, we've delivered INR 222 crore, up 40.3% year-on-year. We've also seen our cash collections being strong. And as a result, our cash balances have risen as well. Chandru, our CFO, will provide some colour on all of this in his remarks.

Our deal signings during the quarter have also been quite strong. We've delivered $168.7 million of TCV signings, which is up 20% year-on-year, and this includes several AI-led engagements. We've been selected as a strategic AI partner for a leading financial services player in the U.S. Birlasoft will help accelerate the client’s AI innovation by designing, piloting and scaling high-impact AI use cases, enabling faster experimentation and enterprise-wide adoption of AI solution.

In addition, we renewed and expanded our ongoing strategic engagement with the same client. The program transforms traditional run support into an AI-first, intelligence-driven operating model through a centralized AI automation hub powered by Gen AI, RPA and AI Ops.

Similarly, in Europe, we won a multiyear deal with AI-led transformation to modernize core applications, migrate to cloud and replace legacy platforms for a leading banking group. This will leverage Birlasoft's AI framework, delivering faster software development, optimizing operating costs, enhancing customer experience and improving agility.

Likewise, in the LSS vertical, we've secured a strategic engagement with one of the world's leading pharma and medtech companies to deploy Gen AI-powered solutions across their pharmacovigilance operations. These deal wins and engagements add to our growing base of engagements where we are already deploying advanced AI-powered capabilities.

This, in turn, is an outcome of our early and sustained investments in strengthening our AI capabilities across four strategic dimensions: one, delivering solutions and projects with Agentic AI tools to our customers; two, enhancing the Birlasoft Cogito AI platform to deliver faster with high quality; three, accelerating talent transformation; and four, building a Forward Deployed Engineering model.

We have reimagined the engineering workflows for our top 10 service offerings with an AI-first approach while maintaining the human-in-the-loop controls to ensure security, governance, quality and reliability. Our core enterprise Agentic AI platform that orchestrates and governs workflows across the AI stack with security is, as you know, Cogito. We have also launched LynX, our AI-powered test engineering platform. We are now also leveraging Sigma, which is our Agentic AIOps and AMS platform.

Cogito differentiates by orchestrating hyperscaler AI, platform-native AI, third-party copilots as enterprise agents. It embeds governance at the execution, eliminating lock-in to any single model, cloud or AI tool. We've demonstrated that Birlasoft Cogito MVP platform to 15-plus clients, and they see business value in accelerated delivery with the platform. And we are discussing with many more.

Today, over a quarter of the code we generate is through various agentic AI tools. So as you can see, while the demand environment remains unchanged, we have made substantial progress in building our tech capabilities and leadership teams.

Last quarter, we had updated you on the many leaders we had brought on board across various levels, including a data and AI leader, an ERP leader, a global partnership alliances leader, and also a new leader to head up our LSS vertical. We continue to make significant efforts to further expand our sales teams, and you should expect to see substantial increase in this over the next few months.

At this point, I will ask Chandru, our Chief Financial Officer, to share his perspectives on the quarter under review. Chandru, over to you.

**Chandrasekar T.:** Thank you, Angan. Once again, a warm welcome to all of you joining us today on this call. I will take you through the financial highlights for Q1 FY27. As you would have seen, we have reported a constant currency growth of 0.3% quarter-on-quarter and flattish quarter-on-quarter in dollar terms to $145.2 million in consolidated revenue for Q1 FY27.

In rupee terms, Q1 revenue was INR1,379.4 crore, a growth of 2.3% quarter-on-quarter. Sequential growth in our BFSI and LSS verticals enabled us to offset the softness seen in the Manufacturing and E&U verticals, resulting in stable revenue performance for the quarter.

Moving on to our EBITDA performance. You may recall, we had called out in the last quarter that there were some one-offs in Q4 we had benefited from. The tailwind from those one-offs in Q4 was roughly 170 basis points that we had spoken about, which we do not have in Q1. Additionally, we have continued to make investments in our business, including in sales and domain capabilities. In that backdrop, I'm pleased to note that we have delivered a healthy EBITDA margin, as Angan pointed out, of 16.1% for the quarter.

You will recall that during the previous financial year, our effective tax rate, or ETR as we call it, had seen an increase on account of higher provision made for U.S. federal taxes, which we had said was transitionary and that ETR would settle closer to historical levels in the current financial year. The ETR for Q1 FY27 reflects the same and stood at 29.4%. On a sequential basis though, it appears higher primarily because in Q4, we had taken the benefit of available tax concessions in some of our global operations, and that was a tailwind we do not have in Q1. As a result, PAT for the quarter was $16.9 million or INR161 crore in rupee terms, which translates into a basic non-annualized EPS of INR5.72 per share.

Coming to the balance sheet, we maintained our strong track record on collections and cash flow generation during the quarter under review with quarterly collection increasing to $163.1 million. Consequently, DSO improved quarter-on-quarter to 55 days, which you'll agree is amongst the best in the industry. Cash and cash equivalents at the end of Q1 increased to INR2,878.6 crore, up about 9% quarter-on-quarter and 26% year-on-year. Our OCF to EBITDA was healthy at 108%.

In conclusion, we have started the new financial year with a robust balance sheet and a healthy margin profile. This provides us with the ability to keep making judicious investments in our business and navigate the prevailing macro conditions. Thank you very much.

With this, I'll open the floor to questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Your first question comes from the line of Dipesh Mehta with Emkay Global.

**Dipesh Mehta:** A couple of questions. Starting first with revenue growth. This quarter, we have seen quarter-on-quarter constant currency growth return. How confident we are to sustain it? And if you can provide some sense about how the deal intake or pipeline is shaping up and continuity of the growth sustainability? And related question is, if you can provide comment on vertical-wise demand trend, what we are observing because this quarter, it is mixed, kind of; two vertical did well, two where we find continued challenges. So if you can provide that sense, that is question one.

Second question on the normalized EBITDA margin. Earlier, our trajectory was around 15%. This is what we said is normalized. In your prepared remarks, you indicated 16% is normalized. So how should we look at it, the steady-state EBITDA margin trajectory? And last question is on capital allocation. Now we are generating significant amount of cash. So, can you help us understand how we expect deployment of the cash?

**Angan Guha:** Dipesh, thank you for your question. So let me take the first growth question, and then I will defer to Chandru for the margin question. So, look, I think we have built a strong momentum this quarter. As you know, after many quarters, we've shown some amount of growth. Though it's little growth, we've shown some amount of growth on a constant currency basis.

We believe that from here on, we should be looking to sustain the momentum. We will work on the momentum. However, we still have 2 months for the quarter to finish. So execution remains important. But we are feeling confident that the momentum will sustain. That is number one.

On the vertical-wise demand, look, the demand trajectory has not really changed too much in the market. But from our perspective, we feel Financial Services will continue to be strong for us. We also feel LSS will remain strong. Manufacturing, we feel the weakness will continue for some more time, but we are putting in a lot of investment to turn around Manufacturing. But overall, I feel the momentum will sustain going forward.

On the margin question, I'll defer to Chandru for his comments. Chandru?

**Chandrasekar T.:** Thanks, Angan. So, on the margins, like I have been maintaining, we will continue to push for a 15%-plus EBITDA margin. We did achieve 16.1% margin in the first quarter. We do have some wage increases starting July 1, and that could slightly dilute our margins in the second quarter. However, we expect to make it up with productivity improvements. But in the short term, we do believe that there may be a small dilution there. I still maintain that net of all the investments that we continue to make in the business, we should expect margins to be at or about 15% or slightly better than that.

There was another question on capital allocation. Our consistent stance here has been that obviously, the Board will continue to reward shareholders as well as ensure that we use cash in well-considered organic or inorganic growth while maintaining the strength of our balance sheet. Inorganic initiatives, if any, will obviously be capability based and that's been our consistent view as well.

The management team is right now focused in maintaining the momentum or in pushing the momentum forward, as Angan said, and we are focused on ensuring sustainable, profitable, predictable growth as we go forward. So we'll continue to focus on that while the Board is seized on the capital allocation requirement and will take actions at the appropriate time.

**Dipesh Mehta:** Just to follow up on the wage hike, what kind of impact do we expect, you said from July? So can you quantify the likely impact? And second is, I think vertical-wise, E&U commentary, if you can provide how you expect E&U to play out?

**Angan Guha:** So let me call out on the E&U a bit. So, in E&U also, we will see a little bit of softness for one more quarter, but I expect E&U to turn around 3Q onwards. But like I said, Manufacturing and E&U are two verticals we are heavily focused on in turning them around, and you will see the momentum shift in a quarter or two.

**Chandrasekar T.:** On the wage hike, the full impact of the wage hike would be between 170 to about 200 basis points. Like I said, we do expect to recover a significant portion of it through productivity improvements. So, we are expecting that it will probably have half the amount of impact on our Q2 P&L, but that should also get recovered as we go forward through the year.

**Dipesh Mehta:** And it is one quarter, right? With effect from? All employees will get from July or it is in a phased manner?

**Chandrasekar T.:** It is July, Dipesh. So, July for all of our associates.

**Moderator:** Your next question comes from the line of Vibhor Singhal with Nuvama Equities.

**Vibhor Singhal:** Angan, just a question on the deal wins. I mean the deal wins that we have reported in this quarter, any change in the average tenure or the nature of these deals in terms of their basically tenure per se? Are there any short-term deals in the deal wins that we reported in the quarter, which probably maybe are short-term projects and which kind of end up, and then we have to backfill them or most of these are regular long-term duration deals, 2 to 3 years plus kind of deals, which will continue? And then I have a follow-up question.

**Angan Guha:** First off, I would like to draw your attention to the fact that both Q3 and Q4, last fiscal, were good quarters when it came to order book, right? We delivered $200 million plus. Now while this quarter, you see a little bit of a lesser order book, but if you compare it to Q1 of last year, when we delivered about $140 million, this quarter has been a 20% growth. So that's one thing that I wanted to point out.

Second thing I wanted to point out is, if you consider year-on-year, our EN and NN has also seen a little bit of an uptick, right? So from that perspective, we are pretty satisfied that this quarter, we've been able to deliver good solid order book, both from an overall number perspective, but equally from an EN and NN standpoint.

Now, to your question, I don't think there is any material change in terms of the deal tenure. The deal tenures are long term. There is no short-term project. That is very clear. But the deal tenures are between 18 months to 24 months. And a lot of this work, Vibhor, is more AI related. For the first time, we are seeing a lot of deals that we have closed have an AI component in them.

**Vibhor Singhal:** Got it. And my second question related to that is, how is the level of competition in these AI-related deals that you have won? From what we are picking up from the markets is that -- I mean, because these deals are very few and far between, the level of competition, especially from the larger companies, which did not come down to that size till now, they're also coming down to those levels. In terms of the size, nothing other than that. So do you see a lot of competition in these deals? Or do you -- or is it kind of normal regular business or nothing big, or a change in terms of the competition?

**Angan Guha:** So competition definitely is there, Vibhor. I mean, all these deals are very fiercely contested. We are winning our fair share of these deals. But to answer your question, most of these deals are contested.

**Vibhor Singhal:** Got it. Just one last question to Chandru. Sir, just to reconfirm, the wage hike is coming from July onwards and the entire wage hike impact will be taken in Q2 itself. Is that right?

**Chandrasekar T.:** Effective quarter two. That's correct, Vibhor.

**Vibhor Singhal:** Got it. So, the entire impact is in Q2 itself. No phased wage hike?

**Chandrasekar T.:** It's not a phased wage hike. You're right.

**Moderator:** The next question comes from the line of Priyank Chheda with Vallum Capital.

**Priyank Chheda:** So first, wanted to understand, you mentioned couple of times, momentum will sustain. Where do you find momentum coming up? At least help me with, say, in terms of order book that you find over a period of this next 2-3 quarters or say momentum in terms of some other key metrics that you would be tracking and which would help us also track? Because I understand that there is a momentum coming up, but then I just wanted to get my attention clear as to what would be that core metric to look at, in terms of momentum because the P&L momentum certainly is not encouraging? So help me with that. And the follow-on question with that, after the momentum one once you answer that, would be the key takeaway for me versus the last quarter was that we had two, not all but two, clear directional guidances that was on the order book. You did say that we endeavor to have a quarter-on-quarter delivery in terms of order book to be positive. I fail to see that happening. When do you see that picking up?

Second, on the sales team with the new leaders coming up, you did guide that 30%-40% addition in the sales talent will happen by Q2. But as I see, even today, sales team count has remained, I think, lower than the pre-COVID level also. So this, which is a follow-on from the previous quarter as we transitioned in the year, and clarity on the momentum, and then I'll ask the other question.

**Angan Guha:** So Priyank, first of all, the momentum for us means only one thing. It only means deal signings and healthy pipeline. We are seeing a reasonable uptick on healthy pipeline and the kind of deals that we are now contesting and winning. We have deals which are more output and outcome-based, which has lot of AI components. And that gives us a little bit of initial green shoot confidence that the kind of revenue that we are getting is going to be strong. That is point number one.

I appreciate the point that you made that the deal signing was lower than last quarter. But Q1 is traditionally a weak quarter when it comes to deal signings for us, traditionally. If you look at our last 4-5 years, Q1 has always been weak. But if you compare it to the last year Q1, we've had 20% growth in our deal signings. And our net new is up, though it is up by a very small amount, maybe about $15-odd-million, but it is still up. So that is another positive, and that's the momentum we will count on.

Now, again, Q2 is not a big quarter in terms of deal signings. If you remember, last year, Q2 was $104 million. What I can just tell you, and we can't give specific numbers, this year's half-year deal signings will be much better than last year half-year deal signings. So that is what we are sharply focused on.

On the sales addition, look, it is a process. I mean, we are going to add a major muscle to our sales teams globally. And we are moving that at a pretty fast pace. You're probably seeing our sales numbers even lesser than pre-COVID, but I can commit to you that over the next quarter or so, you will see a lot of sales muscle getting added to the team.

So we are investing heavily on sales because we understand that the only one parameter, as a company we are lagging, is really revenue growth. And we are trying to fix the input parameter, and we'll continue to work on that.

**Chandrasekar T.:** Just an additional point to what Angan said. What you see is the sales and support number. Within that, if you look at what we've done, the sales domain and service line capability headcount have actually gone up significantly, while we have started to trim down, rationalize the support headcount over time. Therefore, you see, while the overall sales and support headcount has come down, actually, it shifted the balance heavily towards the line teams, which is the sales and domain teams versus the support team.

**Priyank Chheda:** Okay. So, I would appreciate if you have a better guidance in terms of, say, if we are guiding, we will add 30%-40% and still it would be the net sales team number additions, right? That is what I should be tracking. And even on the deal momentum sir, I understand H1 of this year would be better than H1 of the last year. I mean last year H1 was way, way below, it was roughly 15%, 20% lower than the previous year. So on that basis, of course, we should be better. But I was just trying to understand the quantum and the size of healthy pipeline which you mentioned, what would be that. What would be the kind of winning and the contesting mean in terms of number for the full year that we should have? I mean it may not be achievable. We can be plus/minus. But at least a directional guidance would help the minority shareholders who are way, way away from the actual reality of the business. So your guidance in terms of actual numbers we would really appreciate because the peers and the industry benchmark in terms of guiding is way better than what Birlasoft should be, given the pedigree of the management and the pedigree of the company. So just, we would appreciate if you guide us better in terms of numbers, in terms of maybe whatever numbers you would like to guide. That's one. Second one, the number of clients. I see the rationalization of the number of clients even continuing in the current quarter, being lowest ever. So -- yet in our brain, we are trying to reconcile if we are adding a lot of sales team, there is a lot of line sales team, which Mr. Chandru said. Now how would the number of clients say, bottom out in the current quarter? What is the number of clients that the new sales team would bring in? Because there would be some lead indicator for us to understand the momentum which we both are aligned to, right? The momentum is just P&L

momentum and nothing else. So what would be that momentum when it comes to the key lead indicators?

**Angan Guha:** So Priyank, look, first of all, I can't guide to a specific number. But directionally, I will tell you what we are doing, correct? So the first thing that, like I said, and you're right, last year, first half year was probably abysmally low in terms of order book. This year, the first half year will be much better in terms of order book. So that is the first thing we can say. But I can't give you exact numbers, and the only reason -- it's not that I don't want to. It is only because the market is very, very volatile, as you know. I mean, not only for us, but the industry in general.

But I can only tell you that our signings for H1 will be better than the last year H1, point number one, which also should give you the sense that for the full year, the signings will be better than the last year's signings because in Q3 and Q4, a lot of renewals happen, right?

The other thing that I would like to say is that most of the renewals that we are doing are happening. It's not that we are losing any renewals, which also tells you that we are being able to protect our turf and actually grow on that.

In terms of the sales -- in terms of the number of accounts that you talked about. Today, our active accounts are roughly about 213, something like that, down probably about -- from wherever we were last quarter. Now part of it is rationalization because we still have accounts that are not strategic enough for us. So we want to focus on lesser number of accounts where we can actually deliver value. But our rationalization is done, right? We are done with it. We are not going to rationalize anymore because the number of 200 to 213 is the right number for us to go after.

Now, as the sales teams come in and they settle down, we obviously are going to expand our real estate. So at some point in time, and I don't know when, maybe one quarter out, two quarters out, you will see the number of accounts going up. But equally, Priyank, I can tell you that 200-odd clients that we have are marquee names. Even if we can just put all the effort to grow our existing relationships, I think we will be in a much better shape from a growth perspective. But that doesn't mean we will not go after new clients. We have to expand our real estate, which the sales teams will do.

**Priyank Chheda:** Perfect, sir. Wish you all the best. One more thing. One-third of our market cap, I've heard Mr. Chandru saying that we always would endeavor to reward our shareholders, one-third of our market cap is what we are holding in our balance sheet. Most of your peer companies did undergo two things. And they have genuinely utilized to the extent going into a net debt than going net cash, either via acquisitions; and few others who had cash, they did very large buybacks, meaning the rightful owners get their rightful cash right, in case the management doesn't have that plans to utilize. So $300 million of cash on balance sheet, it's just hurting our return ratios, one of the lowest across all the peers listed in terms of return ratios. But cash adjusted return ratios again become very good. So we have been giving this suggestion and feedback to the Board, but we are yet to hear anything from them. At this stock price and at this market value, it becomes very much prudent to have a defined capital allocation policy, being shared to the shareholders also, in terms of the time lines as well. This is what will bring the mojo back to Birlasoft in terms of their disclosures, in terms of multiple other things. Maybe the momentum of the P&L would definitely build up, but these are the crucial times to handhold the shareholders, minority shareholders, who have been with you in such difficult times. Thank you, sir.

**Chandrasekar T.:** Thanks for the input, Priyank. We'll make sure that this is conveyed to the Board as well.

**Moderator:** Your next question comes from the line of Rushabh Jain with Axis Capital.

**Rushabh Jain:** I had a couple of questions. Angan for you, the first one is, how confident are you on delivering sequential growth given the net new deal wins during the quarter? And are you seeing any pressure in renewal deals in terms of productivity over the life of the deal, whether it is higher now versus earlier?

And a second question is from the annual report for Chandru sir. Sir, we noticed that there is a very high jump in unbilled revenues, whereas the revenue from the fixed price projects have seen a sharp decline as well. So, just wanted to understand what is happening over there?

**Angan Guha:** So Rushabh, I'll take the first question, and then I'll ask Chandru to comment on the second one. Look, we have fixed -- or we are in the process of fixing our order book, right? Funnel creation, delivering on order book and revenues will come. I'm reasonably confident that if we can continue to show order book momentum and invest in the right places, revenues will eventually come.

Now I'm only saying that we've built some amount of momentum, and I expect the momentum to go into Q2. That I'm confident about. Now how much growth will come, etcetera, we will see. We have 2 months to go. We'll have to execute for the quarter. But I'm fairly confident about the momentum per se. On the second one, I will ask Chandru to comment.

**Chandrasekar T.:** You talked about the unbilled revenue. First of all, thanks for going through the annual report in that level of detail. Absolutely, unbilled revenue as of March 2026 was higher than what we would have expected. So you'll recall, we did cover some of those aspects around actually billed revenue in the previous quarter. Some of these are interrelated. We had some delayed documentation on one of our clients and therefore, we — two of our clients actually, and therefore, we had to delay billing in a couple of cases. But the good news is, that has been regularized and collections have happened in the first quarter, which is why you're seeing that the collections have gone up and the DSO has improved as well. Specifically on the unbilled, I have to say that we're continuing to work on improving our unbilled because we believe that there is opportunity for us to improve our balance sheet even further, and that's a continuing effort for us.

**Moderator:** The next question comes from the line of Amit Chandra with HDFC Securities.

**Amit Chandra:** Sir, my question is, obviously, you have highlighted that we had a strong TCV win in this quarter with strong wins from the net new as well. But still there remains a big gap between the TCV growth and what we're seeing in terms of revenue growth. Obviously, there is a big deflationary pressure there. So when can we expect the TCV growth and the revenue growth maybe converging? So how many quarters we can take to accelerate our revenue growth in terms of Y-o-Y terms? And also in terms of TCV, if you can throw some light there in terms of what the mix would be in terms of the vertical-wise flavour. And the context to it is that Manufacturing, which is the largest vertical, started to recover. But again, in the last two quarters, it has been under stress. So if you can throw some light there in terms of how do we see the recovery there in Manufacturing? And within Manufacturing, which are the sub-verticals where we are seeing the stress?

**Angan Guha:** So Amit, the first question first, right? In terms of renewals, I said that the renewals are being protected. We are not losing renewals, number one, which is good news. So we'll be able to protect our core. But there is enormous amount of pressure in terms of pricing only because a lot of the work that we are now delivering, we are delivering using AI tools. So, obviously, from a client perspective, there is pricing pressure, there is a pressure to bake in that productivity as we either win new deals or even renew our existing deals. So from that perspective, you are seeing a mismatch between the orders that we book and the revenue that we get. Now that will take a couple of quarters to streamline. And that is an industry phenomenon, not a Birlasoft phenomenon alone. And I believe over the next 3, 4 quarters, you will see, as the industry stabilizes, you will see the TCV wins actually culminating into true revenue. But that will take a little bit of time only because today, like I was telling in my earlier talk as well, that so many of the deals that we are contesting is hotly contested. And there is a lot amount of productivity gains that we are promising clients and actually delivering also, but promising clients upfront as the deal gets signed. But the good news is that we are getting invited to a lot of deals, which is now more AI-driven or AI infused, if you will. So that's point number one.

Point two, Manufacturing two quarters did well, but Manufacturing is also a cyclic business for us, right? We are very heavy on Manufacturing. And that has a structural issue, which we are trying to fix in terms of the clients we serve, their spending patterns, etcetera. So look, it will continue to be a little bit of a yoyo. Some quarters, we will do well. Some quarters, we will not do well. But directionally, I can tell you, Manufacturing over a period of time is resilient, and it will do well. You will have to give us a couple of quarters to get it back on track, which we are currently working on.

**Amit Chandra:** Okay. And the second part of the question is, obviously, you have tried to answer that in the previous question, is the huge amount of cash that we are having on the balance sheet. I think this is really the highest within the IT pack in terms of market cap. So what we intend to do with this cash? Is it -- obviously, one route is having a buyback, but any acquisition that you see? Any gaps which are there in the portfolio which can be filled with this? And any expansion in terms of geographical expansion or some kind of assets that are there available in the market? Are we evaluating that or what kind of plans we have to just use cash that we have on the balance sheet?

**Angan Guha:** So Amit, we always continue to look at capability building. See, we will never ever do an acquisition for revenue aggregation, that we will not do. We will definitely look at assets to build up our capability. We are sharply focused in two areas, as you can tell. One is, of course, the AI, building our own platform, working in a couple of verticals where we can build AI platforms for that vertical or for that workflow, correct? So we are looking at that very, very closely. And as and when an asset comes along, which we believe we can consume and it can also be accretive from a capability perspective, we will definitely look at it. So from that perspective, we are very clear. We are very clear in the direction that we are moving.

But first, Amit, I have to get the company to deliver quarter-on-quarter organic growth. If I can deliver 3, 4 quarters of organic growth, then it becomes much more easier to consume an acquisition. Right now, I don't want the management to be distracted. We will focus on the next couple of quarters to deliver sequential organic growth. And in parallel, we also look at assets that come along, but that has to be a strategic fit.

**Moderator:** The next question comes from the line of Sandeep Shah with Equirus Securities.

**Sandeep Shah:** Just wanted an update in terms of where are we in the journey of restructuring the sales portfolio; A, in terms of cutting tail accounts; B, in terms of low-margin business; C, in terms of cutting the staffing-related business? And will that be a headwind to the growth in the near term or you believe despite all these measures, 2Q onwards the revenue growth could be more consistent rather than volatile?

**Angan Guha:** So Sandeep, if you see this quarter's results, our top 5, top 10 and top 20 accounts have actually grown. Even the next 16 accounts have actually grown. Our revenue shrinkage has happened beyond the 36 accounts, which also tells you that we have rationalized a bit, but the rationalization is almost done. Now I cannot exactly tell you whether some more amount of rationalization we will do or not. We will see if a client is not a strategic fit, then we may decide to walk away. But our focus is to do two things.

One is continue the momentum on our top 30, top 40 accounts. Now I would also say there will be some cyclic nature. Some accounts may grow some quarters, some accounts may not grow, but we will be very strategically serving those accounts and those accounts will be strategic for us. So that's point number one.

Point number two, like I think I was telling Priyank in the earlier conversation that we are adding so many salespeople to essentially go after newer real estate as well, right, outside of 200. So over a couple of quarters, you will see adding to the real estate instead of shrinking.

But currently, what we are focused on is to work with our 215 clients that we have and grow them because the reality is that 36 accounts still contribute to 80% of our business. So we have a lot of real estate that we currently have that we can tap on and then we are going to add to that real estate.

**Sandeep Shah:** Okay. And the second question is in terms of the momentum commentary. So, when you say momentum, it relates to sales growth or the order intake? Because what I meant to ask is, for momentum to continue, one can assume there won't be a negative growth in the rest of the 3 quarters of this financial year?

**Angan Guha:** Yeah, I mean that's our endeavor, Sandeep. I mean I can't give a guidance on anything, right? I can only say that Q3, Q4 and Q1, if you compare to the previous quarters have been good in terms of order book. First is to again deliver similar or more order book in Q2, which is the momentum that I was talking about, and that will result into revenue as well. Now where the revenue falls, we will see. But at least based on our initial estimate, we are feeling good about it.

**Sandeep Shah:** Okay. And Chandru, sir, what one should take the effective tax rate for the full year of FY27?

**Chandrasekar T.:** The FY27 effective tax rate should be under 30%, in the 29% to 30% range, Sandeep, that's what we're working towards.

**Sandeep Shah:** Okay. And just last question, the commentary about Energy & Utility and Manufacturing has been soft, but both of them together contribute closer to 50% of our revenue. So these things may take time in terms of recovery, we are still expecting some amount of momentum to be built through Life sciences and BFSI? And if these sectors — troubled sectors recover, then second half could be better than first half. Is it the right way of looking at it?

**Angan Guha:** Yes, Sandeep. You hit the nail on the head. So, look, we feel the momentum for Financial Services broadly will continue. I can't give quarter-on-quarter commentary. Some quarter, Financial Services may do better; some it may not do better. Like Q3, you know Financial Services because of furloughs, etcetera, is an issue. But broadly for the year, I think Financial Services will do well and LSS will bounce back. Now we will need a couple of quarters for Manufacturing and E&U to bounce back. We are working on it, and we are investing heavily on it, and we are measuring order book because when order book comes, revenue will come.

**Moderator:** As there are no further questions from the participants, I now hand the conference over to Mr. Angan Guha, CEO and Managing Director, Birlasoft, for closing comments.

**Angan Guha:** First of all, I wish to thank all of you for joining the call today and your questions. As always, they are very insightful and gives us an opportunity to explain ourselves. You should walk away with the following. One, our fundamentals remain very solid, right? You heard Chandru say we've got a very solid balance sheet. We have the ability to invest more and more in our business. We are winning several AI-led engagements. You would have never heard me say before, but this quarter onwards, things are turning for us when it comes to winning AI-led deals. We are materially enhancing our sales team. And again, we are putting a lot of investment in that. We will continue to do so. And that strengthens our confidence that we will — and the outlook for the year. Again, we will not give guidance for the year. But like I said, the momentum is building up, and we are feeling good about it. I look forward to speaking to you again next quarter. And in the meanwhile, if you have any questions, please do not hesitate to reach out to Abhinandan for any clarification or any feedback that you may have. Thank you once again and hope to speak to you again next quarter. Thank you.

**Moderator:** Thank you. On behalf of Birlasoft Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines. Thank you.

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(This document has been edited for readability purpose)

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