“Saksoft Limited

Q2/H1- FY27 Earnings Conference Call”

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MANAGEMENT: **MR. ADITYA KRISHNA – CHAIRMAN AND MANAGING DIRECTOR– SAKSOFT LIMITED**
AVANTIKA KRISHNA– EXECUTIVE DIRECTOR – SAKSOFT LIMITED
MR. NIRAJ KUMAR GANERIWAL – CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER – SAKSOFT LIMITED

MODERATOR: **MR. VINAY MENON – MONARCH NETWORTH CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Saksoft Limited Q2 FY27 Earnings Conference Call hosted by Monarch Networth Capital 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vinay Menon from Monarch Networth Capital Limited. Thank you, and over to you, sir.

Vinay Menon: Hi. Good afternoon, everyone, and thank you for the opportunity. I welcome you to Saksoft's Q2 FY27 earnings call. With us, we have the senior management of the company. We have Mr. Aditya Krishna, who is the Managing Director of the company; Avantika Krishna, who is the Executive Director; and Mr. Niraj Kumar, who is the COO and CFO of the company. Now I hand over the call to Mr. Aditya Krishna for his opening remarks. Thank you. Go ahead.

Aditya Krishna: Thanks, Vinay. Good afternoon, everyone, and thank you for joining us for Saksoft's earnings conference call to discuss our performance for the second quarter and first half of financial year 2027. I hope all of you have had the opportunity to review our financial results and investor presentation. I will begin by sharing the key business and operational developments during the quarter, following which my colleague, our Chief Operating Officer and Chief Financial Officer, Mr. Niraj Ganeriwala, will take you through the financial performance in greater detail.

The tech services industry continues to undergo a significant transformation with the demand environment remaining selective amid macroeconomic uncertainties and cautious client spending. While clients continue to exercise greater discipline over discretionary technology budgets, spending on strategic priorities such as artificial intelligence, cloud modernization, data analytics, cybersecurity and automation remains encouraging.

We are also witnessing a gradual shift from AI experimentation towards enterprise-level implementation, creating opportunities for technology service providers with the right capabilities and domain expertise. At the same time, increasing AI-led productivity is reshaping traditional delivery models, making innovation, execution capabilities and the ability to deliver measurable business outcomes increasingly important. During the first half of financial year 2027, the industry continued to witness uneven demand across sectors and geographies.

We believe this environment presents opportunities for specialized technology partners that can offer greater flexibility, deeper customer engagement and focused digital transformation solutions. At Saksoft, we remain focused on strengthening our capabilities and deepening our relationships with existing customers. Our investments in artificial intelligence and proprietary accelerators are aimed at improving delivery efficiency, enhancing our technology offerings and expanding wallet share across our client base.

We continue to leverage these capabilities to address evolving customer requirements and position ourselves for opportunities arising from the growing adoption of AI-led solutions.

During the quarter, we further strengthened our leadership team with the appointment of Mr. Gurmeet Chahal as Chief Executive Officer. He brings extensive experience in scaling digital businesses and taking a technology company through a public listing.

His appointment is an important step in strengthening our leadership capabilities in the U.S., Europe market and supporting Saksoft's next phase of global growth in an increasingly AI-driven environment. Although revenues in the second quarter remained broadly flat compared to the first quarter, we continue to make progress in transforming our business with an AI-first approach. We are proactively engaging with customers through free proof of concepts and leaner team structures, helping them drive greater efficiency through AI across their workflows.

While this may result in some revenue cannibalization in the short term, we believe it will strengthen our position as a co-innovation partner and create greater opportunities over the medium to long term. Looking ahead, we are confident of delivering a stronger performance in the second half of this financial year compared to the first half. With that, I would now like to invite Niraj to take you through the financial performance for the quarter.

Niraj Kumar Ganeriwala: Thank you, Aditya. Let me now take you through the financial highlights for the second quarter and first half of the financial year 2027. Revenue from operations for the quarter stood at around INR249 crores, remaining broadly in line with the previous quarter. The EBITDA stood at around INR44 crores, declining 4% quarter-on-quarter with the EBITDA margins moderating by 66 basis points to 17.6%.

On the other hand, the profit after tax increased by 10% sequentially to around INR32 crores with the profit after tax margins improving by 114 basis points to 12.92%. For the first half of the financial year 2027, the operating income stood at INR497 crores, registering a marginal year-on-year decline of 2%. The operating EBITDA declined by 8% year-on-year to INR89 crores with the EBITDA margins being at 17.93%, contracting by 107 basis points.

The profit after tax stood at INR61 crores with the profit after tax margins at 12.35%, which is down by around 111 basis points year-on-year. Moving to our revenue mix. For the first half of the financial year 2027, U.S. continued to remain the largest market contributor with 51% of the total revenues coming from U.S. followed by Europe at 28%, and APAC and other regions accounted for the remaining 21%.

From a delivery perspective, the on-site and offshore revenue mix stood at 43% and 57%, respectively, reflecting a continued focus on offshore delivery. Our revenue base remains diversified across industry verticals, with the banking and financial services contributing 30%, the emerging verticals accounting for 45%, the logistics contributing 16% and the digital commerce accounting for the remaining 9%. Turning to some customer metrics.

We continue to have 16 clients generating an annual revenue of over USD1 million each. Our top 5 customers contributed to about 40% of our revenues, the top 10, 58% and the top 20 clients contributing to about 72% of our total revenues. Our employee strength stood at 2,393, comprising 2,203 technical professionals and 190 support staff.

Employee utilization, excluding trainees, remained healthy at 84%. The net cash after excluding long-term and short-term debt increased by around INR95 crores as compared to year-on-year and stood at INR244 crores as on 30th September 2026. That concludes the financial update for the quarter. We would now be happy to take your questions.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Kanishk Gupta with SS Family Office.

Kanishk Gupta: I wanted to ask that given Saksoft's ambition of achieving USD500 million in revenue by 2030 and considering the current TTM revenue of approximately INR1,000 crores. So the company would need to deliver revenue CAGR of approximately 39% to achieve this target by FY31. So can you provide a bit more clarity on the expected contribution from organic growth versus inorganic acquisitions while achieving this target?

Aditya Krishna: Yes. It seems a mammoth target and a goal at this point. However, a few quarters of really good growth can change the story, and that's what we are working on. We are working on a few non-linear options. That includes M&A, which you mentioned inorganic, but also pull from partnerships, an area where we have traditionally been weak. Our new CEO is putting a lot of focus on pull strategy in addition to the push strategy, which is predominantly partner pulls.

And also multiple campaigns running at the same time to improve the demand scenario that we have. So yes, very honestly, it seems a huge target. As of today, we are confident that we'll be able to get close to the $500 million, if not at $500 million. We have to demonstrate much more growth than we have in the last 4 quarters, which have been predominantly flat. And we are making the right investments. You've seen the investment in leadership.

Last 12 months, we hired a Chief Growth Officer for the U.S. geography. Last 4 months, we hired a Chief Growth Officer for the U.K. market. And now we've got a new CEO who joined us about 3 weeks ago, who's got a lot of experience in scaling businesses. So we feel we have the foundation. We've had a few bad quarters or flat quarters, and we've invested for the growth that we expect to come. And as of today, we are confident we'll get there.

Kanishk Gupta: So how confident are you that internal cash generation will be sufficient to actually fund the planned acquisitions without compromising any kind of financial flexibility and returns on the invested capital?

Aditya Krishna: If you look at our history, we've always managed to fund acquisitions, and we've done quite a few of them through our own cash. We've taken a little bit of debt occasionally, but it's predominantly been through own capital or own cash as well as a structured payout, which has worked well for us. We plan to continue with that approach.

We're not going to dilute capital very clearly. We're not going to take excessive debt. And with our experience of over 8 acquisitions in the last 10 years, we're very confident we have a robust model in place to look at inorganic targets.

Kanishk Gupta: Yes. So secondly, I would like to ask that the Q2 performance was largely expected to remain muted. So how is the visibility for H2 now? And how confident are you about the meaningful

recovery that we can expect in the second half considering the current order pipeline and outlook?

Aditya Krishna: Second half will definitely be better than the first half. That's not saying much because first half has been flat. But you will see improvement in performance quarter-by-quarter. We're very confident of that. And we already got 50% of -- not 50%, almost 50% of quarter 3 is over. So we've got a good handle on quarter 3. You will see better results starting this quarter.

Kanishk Gupta: And what would be the pipeline as of now?

Aditya Krishna: The exact quantum of pipeline, I don't have with me. But if you share your e-mail, we will send it to you.

Kanishk Gupta: Sure. No worries. And are we still going forward with our INR1,200 crores of guidance for FY27 revenue? If so that would actually imply to approximately a 40% Y-o-Y growth in H2?

Aditya Krishna: Yes. Like I mentioned, we're looking at a few non-linear options. If any of them kick out or work for us, it could significantly get us to that figure. It's a tough ask today. I appreciate that because of the last 2 quarters. But in this business, like in any other business, the cost always comes before the results and the revenue. So we have made the investments. Now we have to be a little patient and wait for the results.

Kanishk Gupta: Got it, sir. And lastly, I would like to put in one more question. And what would be the key milestones one should track over the coming quarters to assess progress towards the longer-term objective of $500 million revenue ambition?

Aditya Krishna: I think the only figure you should look at is top line growth because in this business, if top line growth happens and EBITDA is maintained and even if EBITDA is compromised a few basis points, it will catch up. So I think the only metric to really look at is top line.

Moderator: Our next question comes from the line of Vikas S with RBC.

Vikas S: Aditya, my question on if -- when you say push strategy, does that also entail capital expenditure? That's not necessarily equivalent to M&A? That was my first question. And b, if nothing fructifies in this financial year, in terms of regular organic growth, what are we looking at in the second half, if there is a range?

Aditya Krishna: The first question, Vikas, is on capital. So to me, non-linear is basically 2 buckets. One is the inorganic, which is an M&A where obviously we need capital. The other is a partnership pull. We have strong partnerships with ServiceNow, Salesforce. We have never capitalized on that pull. And that's what we are focusing on. And our new CEO is very -- has a lot of experience in that area. So if any of that starts kicking in.

And it will kick in. It's just a question of when and how quickly, that does not require capital because those capabilities we have, it's just we will start getting a lot of business through the partners, which today we don't get. So that's the first part. Second question, if nothing fructifies,

second half will definitely be better than first half. We are probably looking at somewhere around INR1,100 crores.

Moderator: Our next question comes from the line of Rushabh with RBSA Investment Managers LLP.

Rushabh Shah: So firstly, we have an ambitious target that we have set for ourselves, and I believe a significant part of the growth will come from gaining more wallet share from our existing customers. So I just want to know what are the 2, 3 things that have been done in the last 1 year or so that will enable us to gain more market share. If you could share some anecdotes on qualitative examples would be very helpful to understand.

Aditya Krishna: I think the biggest thing you must take into account is that we are transforming our business in 2 broad areas. One is leadership and deeper management depth. And I mentioned that in terms of leaders in the U.S. and Europe geography and also now a new CEO. So that is one area. The other is we are transforming to become an AI-first digital transformation partner.

Now what do I mean by that? Going to our customers proactively and saying, the work we're doing for you, we can do it more efficiently with leaner teams using AI before somebody else does. And before the customer realizes that we are still stuck in the old ways of doing things. So as an example, going to a customer and saying, look, right now, we have a 50-member team working with you.

We are now going to use AI and make this 50-member team a 30-member team and we will deliver better value, more efficiencies for you. Customers happy, yes. In the short term, we have some revenue cannibalization. In the long term, medium term, we will definitely benefit because customers will see us as a true partner.

It will see us as a co-innovator in their business, and we will get more business. Some of it we can drive through better price realization. But in the short term, revenue will take a little bit of a hit.

Rushabh Shah: Okay. So as we are shifting or pivoting model to outcome -- more outcome-based model, is the customer accepted level, certain level of trust. Is it more stickier than the earlier model? How does the customer dynamics work in this outcome based? What is your understanding so far?

Aditya Krishna: Outcome-based is definitely stickier than people-based because at the end, people can be in-sourced, people can be hired, people can -- there can be attrition. So outcome-based where we own the outcome and customer depends on us for outcome is clearly stickier and more long-term oriented for us, and it bodes well for our future revenues.

Rushabh Shah: So net-net, the margins also should improve, right, since it's more personalized customized work. And eventually, in the long term, margins should be much higher than where we are today?

Aditya Krishna: Margins will be higher because of, one, better pricing and more importantly, reduced workforce.

Rushabh Shah: Okay. And sir, what is the biggest risk you see to achieving this target in the current geopolitical scenario and if you can.

Aditya Krishna: Can you repeat that question? Can you just repeat the last part of your question?

Rushabh Shah: I'm asking what is the biggest risk you foresee in the current geopolitical world. And given that in that volatile world, we are already pivoting to a different model. So what is the one biggest risk you foresee for your business?

Aditya Krishna: I don't think Saksoft has any perceived risk, which the entire industry doesn't face. And I think the biggest risk that of all tech companies, tech services companies face today is the impact of AI and the maturity of customers and the willingness of customers to adopt AI -- and there is no one clear answer to that question. We will have to adapt. More importantly, we'll have to transform, which we're working on proactively. So honestly, I don't see any specific risk for Saksoft vis-a-vis the industry.

Rushabh Shah: And just the last question, sir, you mentioned that about customer acceptance. So has the customer acceptance at least for our customers as well as the journey has been from pivoting to giving more orders through Saksoft, how is that journey? Where are we in the journey in terms of AI adoption?

Aditya Krishna: Customers are now moving from experimentation to actually using AI for their enterprises. We are clearly in the front of the tube, one, because we are in their faces. We are present in front of them. And secondly, because of the accelerators, the platforms that we have in AI.

So we are well positioned from that perspective. Now it's too early because these things don't happen overnight that we are seeing immediate wallet share results, but we are very confident we will. It will take time.

Moderator: Our next question comes from the line of Vani with Alpha Advisors.

Vani: Yes. So I can see some weakness in retail as a segment. So did we lose a client or something?

Aditya Krishna: We didn't lose a client, but a few projects with existing customers came to an end. That should pick up.

Vani: Okay. And can EBITDA margins return to the 19% to 20% range over the next 2, 3 years? Or should investors factor in structurally lower margins?

Aditya Krishna: Next 2 to 3 years, definitely, it can. It won't happen in the next 2 quarters because of investments in basically sales and leadership and the fact that we are moving towards the outcome-based model. But 2 to 3 years, definitely, it can.

Moderator: Our next question comes from the line of Dhruvin Kadakia, an Individual Investor.

Dhruvin Kadakia: I wanted to understand that how do we look at our employee cost going ahead since we've hired some senior people. So do we see that to be like a dent in our margins?

Niraj Kumar Ganeriwala: Dhruvin, this is Niraj here. Like Aditya mentioned, we are investing in some leadership. So -- and cost comes ahead of the revenue. So initially, yes, there could be some minor impact. But with these investments and costs, the revenue will also go up. So it should stabilize, but maybe for the next 1 or 2 quarters, there could be a slight impact.

Dhruvin Kadakia: And right now, the current weakness that we may experience, is it because of, let's say, project delays or lower utilization or any loss of market share, like any particular reason you would want to pinpoint to?

Aditya Krishna: Sorry, can you repeat that question?

Dhruvin Kadakia: I'm saying that right now, the current weaknesses that we may experience, is it because of, let's say, discretionary spending cuts or project delays or lower utilization, some particular reason that we can highlight?

Aditya Krishna: I think the only thing we can say is that a few of our customers have in-sourced work or are in the process of in-sourcing work. Now that -- it doesn't mean that we are eliminated as a partner. It means some of our work goes to a captive that they are building in India or somewhere else in the world. So that has impacted us. But those are temporary sort of blips which we will be able to overcome as we move to the outcome-based model and as we use AI to improve our capabilities and our delivery models.

Moderator: Our next question comes from the line of Girish with Ksema Wealth Private Limited.

Girish: I had a few questions on the AI front actually, so the management has said that AI productivity efficiency gains were around 30% to 50%?

Moderator: Sorry to interrupt you Girish, we can hear you, but it is not coming clearly.

Girish: So that previously you said productivity efficiency gains were around 30% to 50% in product engineering and 20% to 30% in managed services. I just want to know do this numbers still hold and also how does that AI deflation impacts looks like? I you could add a number to that, that would be very helpful, and are we able to offset that deflation as of now.

Aditya Krishna: If I understood your question correctly because the line is not that clear, you're talking about efficiency gains in product engineering as well as in managed services. And the numbers you have quoted are pretty much accurate. Now what does that mean? In the short term, it means revenue cannibalization. And that's what we are experiencing. And we are proactively going to our customers and saying, look, we can do things better using AI.

The objective is that over the medium term, not only will our spending with that customer come back to the original level, it will increase because the customer will see us as a true partner and a co-innovator. But in the short term, we get hit. Now that's the disadvantage of us being a smaller company in this industry. The big guys, the Tier 1s and the Tier 2s are able to manage it because they have sufficiently large multiple contracts.

Some are evolving, some are not evolving. So they're able to offset that. In our case, we have 16 million dollar customers. We have to go to them at the same time. We can't say we'll do in this quarter 4 and then we'll do next quarter another 4 because if we do that, the chances are or the likelihood is somebody else will go to them with the disruption, and we will lose that customer.

So we have to go to all of them, which means maintaining revenue is a challenge by itself. And we have done a really good job because with reduced revenues, we've been able to at least maintain our revenues quarter-on-quarter, which means in reality, we are growing, but it's not showing in our results.

Girish: All right. So any clear number that you can put AI deflation as of now?

Aditya Krishna: AI, what? Sorry, it's very unclear.

Girish: AI deflation, the contract rate cut that the client doing as of now?

Aditya Krishna: So there are no rate cuts. There are revenue cuts because of efficiency of AI. We are offsetting a part of it by higher rates, but those are not -- so for example, if there is an efficiency gain of 35% or let's say, just for argument's sake, 40%. That means my team size will go down by 40%. I can't offset it by increasing prices that much.

So in the short term, I will lose revenue, and that's what's happening to us in terms of cannibalization. But we will make it up because customers, again, will see us as a true partner and give us more work.

Girish: And also another question. So INR1,250 crores guidance for FY27 still right, the management is pretty confident.

Aditya Krishna: Yes. We are working on a few non-linear options. If any of those click, we should be able to get to a number close enough.

Moderator: Our next question comes from the line of Devansh Shah with Eternal Limited.

Devansh Shah: I just have a couple of questions, so you can stop me if it's alot. But yes, so what are the service lines that you're currently seeing the strongest client demand from? So like just to understand on the demand side. And have you seen any meaningful shift for the revenue contribution amongst these lines, so be it digital engineering or data analytics, cloud and testing?

Aditya Krishna: I'll ask Avantika to answer that.

Avantika Krishna: Yes. So we're seeing a lot of traction in the engineering space. I think that's number one. And we're also seeing a lot of traction on the operations front, some managed operations, be it infrastructure or application support. So that's where our pipeline is increasing.

And it also means it's a 2, 3-year or sometimes even 5-year contracts with operations. With engineering, it ends up being onetime projects or it could be extension of maintenance of that development project. But these are the 2 areas that we see most amount of work coming in.

Devansh Shah: Got it. Okay. So just understanding on my second one. So the U.S. is contributing, I think, approximately 50-odd percent, and you can correct me if I'm wrong for the H1 FY27 revenue. So are you expecting this contribution to remain sustainable? And what is your personal medium-term target that you would want to come out with for this particular geographic diversification?

Avantika Krishna: So we want U.S. to grow. That's the focus is U.S. geography, along with U.K., Europe, but we feel the plan to grow U.S. is quite strong. And we want to see it at least 55% in the near term.

Devansh Shah: Got it. And just a follow-up on this before I move to my next question. But just a follow-up, what are you making of the recent changes in whatever is happening on the political front in the U.S. Is it going to help us? Or are we seeing the stability or any downside?

Avantika Krishna: We feel it will definitely help. It will also help in terms of decision-making. I think people will be -- in the U.S., at least people will be a little bit more relaxed and decision-making will be quicker and faster on that front. So I think it will help.

Aditya Krishna: Also, the speed of development in AI will slow down because Democrats will insist on putting more guardrails and safeguards. So the rapid progress of AI will stop, which will mean customers will be in a better position to make decisions. One of the reasons they hesitate to make decisions is there are too many moving parts. Things are changing too rapidly, and they are scared to make a decision, which will be no longer relevant 6 months from today.

Devansh Shah: Noted. That makes sense. And yes, just beyond moving to -- moving from U.S. and Europe, what markets are you expecting to offer the most opportunities for our company? And are you planning to strengthen any sales presence in APAC region?

Avantika Krishna: To your second point, there's no plan right now for APAC leadership. However, we do want to increase our presence in global capability centers in APAC that is something that is untapped for us today. Although we work with a few GCCs in India, it's never been a focus of ours, and that has changed now, especially now with Gurmeet coming on, he has a lot of experience with GCCs.

And I think that's something that we would like to focus on in APAC. But these are the 3 geographies that we want to concentrate on APAC, U.K., Europe and U.S. There won't be any additional geography at this point.

Devansh Shah: Okay. Got it. Just a follow-up on this, if you could, no pressure, but in APAC, are there any particular regions?

Avantika Krishna: It's mainly in India and in Singapore.

Devansh Shah: Got it. Okay. And one last question, then I can end it from my side. What is the share of revenue that is outcome-based today? And what are we -- and I think it was somewhere around 10% last year. And where do we expect this to, say, in the next 3 to 4 years by FY28, '29?

Avantika Krishna: So it's definitely increasing. I think a measure that we use is also how many of our customers really interview people. That's how we also sort of measure it because that way, we are in control of the project or the outcome. And that we are seeing growing. We're actually seeing a big number increase over there. So we are seeing definitely more increase in the outcome, number when we can get back to you.

Moderator: Our next question comes from the line of Vikas S with RBC.

Vikas S: Aditya we were at about $25 million pipeline, while you don't have a specific number, how has it been this quarter? And are we also assuming now that there is some pace and conversion from pipelines to actual content? That is what we were -- it was a little challenging in the last quarter.

Aditya Krishna: Vikas, honestly, we've had good conversions in the U.K. and Europe. Pipeline in the U.S. has not been materializing at the pace at which we would have liked or expected. There are various reasons for it. And I think the biggest reason is the rigor at which we were following through on conversion. And one of the reasons for having a CEO who's based in the Northeast is that to have personal rigor.

Personal follow-up to make sure this pipeline converts, which is why I'm confident that the second half will be better than the first half because the pipeline is very much there. It's just not converting more so in the U.S. than anywhere else, and that has to change. It's not that the pipeline has disappeared or anything has fallen off.

It's just not converting at the speed that we wanted to. And I think it's not something I can blame anybody else other than ourselves. We need to have more rigor. And with Gurmeet joining and physically being present there in the New York region, it will help.

Vikas S: Got it. And any more key hiring in the pipeline and any attrition in the last 3 months at the sales and senior leadership level?

Aditya Krishna: Nothing at the senior leadership level, but sales, yes. We have had to get one client partner to leave and a new one has been replaced. So you will see not so much in Europe, but you'll see a fair amount of change in client partners in the U.S. geography because we will bring new talent, more talent, which is more relevant, and we will have to let some old talent go, that's one. And there will be investments in the sales front end in the U.S.

If I look at today, our sales cost as a percentage of our total, we are at roughly 3%, which is very low compared to most organizations of our size. We want to take it up. We'll do it in a phased manner as we see better quarters quarter-on-quarter. So you will see more investment. I hope that answers your question.

Moderator: Our next question comes from the line of Kamal Singhania with Lotus Capital.

Kamal Singhania: I joined the call late, so sorry if I'm being repetitive. But my first question is that growth has remained relatively slow over the past few quarters. And what are the few key factors that could drive recovery in growth going forward? And how is the overall demand environment setting up in the current quarter and quarters going forward?

Aditya Krishna: So I've already answered that. I encourage you to listen to the recording.

Kamal Singhania: Okay, sir. And the next question is like at this stage, where you are facing greater challenges like getting additional business from existing customers or acquiring new clients? So what steps are being taken to address these challenges and accelerate growth?

Aditya Krishna: We are in a difficult demand scenario. And all efforts are being made through aggressive sales efforts as well as we are focusing on a pull strategy partnerships driving revenue growth to get us back on the growth trajectory.

Kamal Singhania: And my last question is that how are you managing competition from the large IT service provider, particularly in the midsized deals. So are you seeing any impact from vendor consolidation and all?

Aditya Krishna: No impact from vendor consolidation, but we see competition from the Tier 1s and the Tier 2s because they are also starting to focus on the midsize. But honestly, we are much better positioned than a larger company for the simple reason, we are more flexible, more adaptable. Customer sees us as more responsive.

We can give more attention to these customers than a much bigger company. So I don't see great challenges there. The issue is can we get in front of enough deals. And that's where the demand side comes in, and that's where our focus is.

Moderator: Our next question comes from the line of Rushabh with RBSA Investment Managers LLP.

Rushabh: Just a question. Can you share some data point on it is for the top 10 clients, what would be the average market share? And what was it 3 years back? Wallet share in that clients, sorry.

Aditya Krishna: We'll have to get back to you on that. I don't remember off the top of my head.

Rushabh: Over the last 3-year period, it would have improved significantly, right? Is that the understanding?

Aditya Krishna: Can you repeat that, sorry?

Rushabh: Over the last 3-year period, it would have improved significantly our wallet share in the top 10 clients.

Aditya Krishna: Yes, for sure.

Moderator: Our next question comes from the line of Anupam Bhide with [Inaudible 0:44:04] Limited.

Anupam Bhide: What percentage of your revenue comes from AI projects? And how do you define those? And I don't mean AI for coding. I mean AI implementation, building agents for enterprises, et cetera, et cetera.

Niraj Ganeriwala: Anupam, can you just clarify from which firm are you?

Anupam Bhide: We are from a family office, the Bhide Family Office.

Niraj Ganeriwala : Okay. Because I think the moderator mentioned something else. So we were just trying to get clarify.

Anupam Bhide: What percentage of your revenues come from AI-related projects?

Aditya Krishna: So define AI-related projects.

Anupam Bhide: Well, you come up with your definition, right? Because you must be measuring it like all companies today because that's the only way of growing today.

Aditya Krishna: So my answer would be 100% because there is no project we do there is no AI.

Anupam Bhide: Okay. Yes, but that's not a very good answer. Basically, these are projects, if AI did not exist, would these projects be done? That would be my definition.

Aditya Krishna: So that's why I asked you a definition. Honestly, there is no project today which is being done because of AI only. Every project is being done with AI, whether it's product engineering, whether it's data, whether it is managed services, whether it's infrastructure, whether it's cybersecurity, there is nothing without AI. So anybody -- a lot of these tech companies are saying, I have so many AI projects. I mean you ask yourself, what do they mean by that?

Is that a project which is only AI? What is the only AI? Can you do anything with only AI. After what is the end game. End game is either you're building an application, you're doing some legacy modernization. You're doing an infrastructure project. So what's the end game? It's not building an LLM, right?

Anupam Bhide: No, I'm talking about projects that were specifically started because an enterprises' old applications did not include AI. And now they understand the potential of AI and they're using it or a product company's products did not include AI. And because of AI, they are changing the product, putting AI into the product. So these would be my 2 definitions. As I said, I don't mean AI for software development.

Avantika Krishna: So I -- just to clarify also that we've got about 50% of our work coming from product engineering and platform engineering. And all the product engineering and platform engineering work that we're doing is AI. So any of our customers today are only thinking about AI and how they position AI to the market. So that would mean that we will have to work on their products, which are AI ready. So and that is why we mean 100% is sort of AI projects or everything is AI.

The second sort of bucket of work that we're doing is operations. And all the operations work is also AI-driven because we have to bring down ticket volume, ticket data. And by doing that, we need to use AI -- so in that sense, AI is in everything that we do.

Moderator: We have no further questions at this time, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Aditya Krishna: Thank you all for joining us today and for your continued interest in Saksoft. We appreciate your time and thoughtful questions, and we hope we have addressed your queries satisfactorily. Should you require any further information or clarification, please feel free to reach out to us or our Investor Relations advisers, Valorem Advisors. Thank you once again, and wishing you all a very happy Diwali.

Moderator: Thank you. On behalf of Monarch Networth Capital Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.