

February 9, 2023

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

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

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

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

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

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

**Subject:** - Transcript of Earnings Call held on February 2, 2023

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 held on February 2, 2023.

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 Padve  
**Company Secretary & Compliance Officer**

**Birlasoft Limited**

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# Birlasoft Limited Q3 FY'23 Earnings Conference Call

## 6.30pm IST, 02 February 2023

**MANAGEMENT:**     **MR. ANGAN GUHA, CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**  
                          **MR. CHANDRASEKAR THYAGARAJAN, CHIEF FINANCIAL OFFICER**  
                          **MR. ROOP SINGH, CHIEF BUSINESS OFFICER**  
                          **MR. SHREERANGANATH (SK) KULKARNI, CHIEF DELIVERY OFFICER**  
                          **MR. ARUN RAO, CHIEF PEOPLE OFFICER**  
                          **MR. ABHINANDAN SINGH, HEAD – INVESTOR RELATIONS**

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**Note:**

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2. Any of the statements made herein may be construed as opinions only and as of the date. We expressly disclaim any obligation or undertaking to release any update or revision to any of the views contained herein to reflect any changes in our expectations with regard to any change in events, conditions or circumstances on which any of these opinions might have been based upon.

(1 crore = 10 million)

**Moderator:** Ladies and gentlemen good day and welcome to Birlasoft Q3 FY23 Earnings Conference Call. 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 ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

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

**Abhinandan Singh:** Thank you Aman and welcome everyone. By now you would have received or seen our results. Those are also available at our website [www.birlasoft.com](http://www.birlasoft.com).

Joining me on this call, today are our CEO and MD – Mr. Angan Guha, our CFO – Mr. Chandrasekar Thyagarajan or Chandru as we call him, Mr. Roop Singh – our Chief Business Officer, our Chief Delivery Officer – Mr. Shreeranganath Kulkarni or SK as we call him, and our Chief People Officer – Mr. Arun Rao. We will begin the call with opening remarks from Angan and then Chandru.

Before I handover the floor to Angan, a quick reminder that anything that we say on this call on the Company's outlook for the future is a forward-looking statement and therefore that must be heard or read in conjunction with the disclaimer that is appearing in our Q3 FY23 Investor Update, which has been sent to you and also uploaded on our website as well as filed with the stock exchanges.

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

**Angan Guha:** Thank you Abhinandan and good evening and good morning to everyone wherever you are. I am pleased with the opportunity to be able to engage with all of you today for my first Earnings Call since I have come on board. As you are aware I joined Birlasoft on December 1<sup>st</sup> and over the past two months, I have spent a lot of time meeting with our teams, the sales teams, the account teams, the delivery teams, our service line teams and also many of our customers. I can tell you that I am incredibly excited with the response and the welcome that I have received. I will share with you later in the call with some of the perspectives that I have picked up as we go along.

But before I get there let me quickly share with you the highlights of our quarterly operating performance, after which I will ask Chandru to share some details around our results and financial highlights.

Our revenues for the quarter stood at 148.4 million, representing a growth of 5.5% YoY and flat QoQ in constant currency terms. This was despite the higher than usual furloughs that we experienced this quarter and as all of know it is by nature a seasonally weak quarter.

Our EBITDA margin performance for the quarter excluding the one-time provision of 19 million that has been made is 13.4%. Chandru will explain to you in details the provision that we have taken. Our operating margin performance for the quarter also reflects the investments that we have done on some capabilities and the leadership hiring that we continue to do and these are just investments that will yield results as we go forward.

However, our deals wins have been very-very encouraging.. Our TCV signings for the quarter is at 231 million which represents a 39% growth QoQ and 27% growth YoY and I am happy to state that this has been one of the best quarters in our history in terms of deal signings. On the people front, we ended Q3FY23 with a total headcount of 12,530, which is a growth of 5% YoY. But more importantly our attritions have been improving. Our Attrition in Q3 stood at 25.5% and this is an improvement of 27.9% in Q1 and 27.4% in Q2. As the attrition levels get better, we expect some of the benefits to accrue in margins as well as we go into the coming quarters.

As I deep dive into my business, let me share some initial thoughts that I gathered:

As all of there have been shifts in the external environment in the recent months due to the confluence of factors. These however are likely to be short term in nature. Customer organizations will continue to spend on IT, looking for better value from their IT spend and a much deeper relationship with their IT providers as we go forward. I strongly believe that the tech spends will continue to be strong and the spending will become more and more tuned towards the operational excellence, customer experience and cost efficiency.

At Birlasoft, we have built relationships with our clients whom we have served for extended periods of time and clients do see us as their strategic partners. From an organization perspective, we have been able to nurture great talent pool, build strong capabilities in very high potential areas and we will continue to reinforce our leadership team as we go forward, to sharpen the market focus for better growth. It is this fundamental robustness in our business and the investments that we are making, that makes me extremely confident of our outlook.

With a longer quarter, no furloughs and some ramp-ups in deals, that we have added, we believe operationally our Q4 will be stronger than Q3. Operationally we are confident of delivering the strong growth even for the financial year. Over the next few weeks and months, I will share with all of you a more sharpened go-to-market strategy, as we streamline our organization's structure, strengthen our execution and become much more predictable as a business.

I believe that consistent and robust execution, combined with the client centric organization that we are building, it will take us to the next phase of growth in our journey. At this point in time, I will ask Chandru, our Chief Financial Officer, to share his perspectives on the quarter.

But before I hand over the floor to him, I would like to take a moment to thank him for his contribution during his time here. As you know Chandru has decided to move on for personal reasons. I personally appreciate how he has built a strong finance organization and a sound layer of leadership under him and some incredibly mature processes.

So, Chandru thank you for your contribution to Birlasoft and with that I hand over to Chandru.

**C. Thyagarajan:**

Thank you for the kind words Angan. Good morning, good afternoon, good evening, everyone. Hope you are doing well. It's a pleasure to talk to you again.

Let me take you through some operating and financial highlights in some level of detail:

Our performance for the quarter has been characterized by a higher than usual furlough with some project hold, some investments that we made in the business, all of which Angan alluded to and also a one-time impact from a provision that we have taken. At the same time, we also had good deal wins, we have had strong cash flows and continued improvement in our attrition metric. As a result, our revenue in dollar terms stood at 148.4 million and 12.22 billion in rupee terms. We were flat on a constant currency basis sequentially. In INR terms our revenues were up 2.5% QoQ.

Our Q3 FY23 consolidated financials, as you know include a one-time impact of \$19 million. This provision is on account of a customer called Invacare, that has filed a petition yesterday ie, February 1<sup>st</sup> in the US, for relief under Chapter 11 of the Bankruptcy Court in the US Bankruptcy Court. In line with our accounting policy, we have created a provision against the outstanding receivables and also contract assets as of December 31<sup>st</sup>, 2022. We are taking legal advice to determine the future course of action.

Our EBITDA margin excluding this non-recurring provision for Q3 stood at 13.4%. During our discussions on this call, we will be referring to EBITDA excluding this one-time impact as that reflects our operating profitability. Our operating margins for the quarter reflect the earlier mentioned factors with higher furloughs, incremental investment in reinforcing leadership across our verticals, service lines and delivery and residual wage increases, which we had indicated if you recall in our previous quarter as well. More than offsetting some gains that we got from currency tailwinds, as a result EBITDA margins excluding the one-time provision declined sequentially. We expect to bounce back in Q4 with some of the investments made in Q3 beginning to yield results.

From a vertical standpoint, our BFSI business continue to do well and register a strong sequential growth QoQ. The Life Sciences vertical also recorded growth on a QoQ basis. The E&U and Manufacturing verticals though registered a sequential decline, mainly on account of the furloughs and some of the project hold impacts that I was talking about. Our top accounts have done well, with both the top 10 as well as the top 20 buckets delivering growth led performance QoQ and what you know is a seasonally weak quarter. Our top 5, top 10 and top 20 accounts now contribute 31.7%, 47.9% and 64.1% respectively to total revenue.

The news on the cash flow front continues to be good. In Q3 we had the best ever quarterly collection at \$169.3 million. This is testimony to the quality of service that we have been delivering. Our DSO was down, was better as well at 55 days and we continue to be best in class there. Our total receivables including billed and unbilled are down QoQ, so the overall

receivables position has improved noticeably. Our operating cash flow was 30.2 million during the quarter and that was 154% of the operating EBITDA. By operating EBITDA, I mean this excludes the one-time provision and our free cash flow was healthy as well at 28.9 million which was 148% of our operating EBITDA. The resulting strong cash flow generation has led to cash and cash equivalent crossing the Rs. 10 billion mark, back again as of 31<sup>st</sup> December. You will recall that we had a share buyback with an outflow of about Rs. 4.75 billion earlier this financial year.

In conclusion, I believe that excluding issues related to Invacare, we set for a growth led performance in the coming quarter. We expect operating margins to expand QoQ with impact from followers behind us. Our balance sheet is strong. We are generating robust cash and have made investments in building capability, that will help us scale our business going forward. With that I will open the floor for questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sudheer Guntupalli from Kotak Mahindra. Please go ahead.

**Sudheer Guntupalli:** My first question is, you have been in the system for almost 2-2.5 months. Any preliminary thoughts on the fine tuning the strategy, be it on the GTM front, sales front or delivery side so on and so forth? Of course, you mentioned that going forward you will keep interacting with us on that, but any preliminary thoughts on where do you think we will have to do some bit more of strengthening? Where do you think it is all okay and status quo can continue?

**Angan Guha:** Sudhir first of all thank you for your good wishes. So, look I am in the company now for exactly 60 days. It's a little bit early for me to give a detailed view but like I spoke about earlier, we will be investing in all sides of the business. We will be investing on the front-end. We will streamline the organization to become more client centric. We will be investing in our delivery leadership. But more importantly, we will be investing in our capability as well. Now, not to say that we don't have great capability, in fact I have met so many clients and we have got very-very strong capability and deep relationship with our clients. I think if we can get sharper focus, I think we will be able to do very well. You have to give me some time, when I can lay out a formal strategy on all the three areas that I spoke about and I will do it in the next coming three to four weeks.

**Sudheer Guntupalli:** Sure Angan, that's very helpful. Second question is on this Invacare part, just so that our understanding is correct. What is the run rate as per the latest quarter revenue run rate? What is the share that this client is accounting for in the overall scheme of revenue and going forward how much of an impact do you foresee given that in their bankruptcy filing also it is not the entire entity is filing for bankruptcy, only few subsidiaries are filing for bankruptcy? Currently what is the revenue run rate and to what extent do you think that gets impacted?

**Angan Guha:** So, Sudhir, look the bankruptcy notice came to us only last night. We are now looking at all the legal opinion to figure out exactly what the impact is. It will be a little too early for me to talk about the impact. But I will tell you this, from a revenue standpoint it only contributes to less than 3% of our revenue. I would request you to look at our operational performance and keep

Invacare outside. So, like we talked about a little while ago, operationally we will continue to deliver strong growth in Q4, both on top line as well as on EBITDA. But what will happen to Invacare, it's hard for me to comment now, because we are taking legal opinion. For now, based on what we knew we have taken the provision, but we will have to wait and see what happens.

**Sudheer Guntupalli:** My last question is to Chandru, just on this provision. What is the split between our billed receivables, un-billed and contract assets? And an extension of that question is what is the nature of this contract asset? Is it some prior investment you had done into this client, which you are non-cash basis you are knocking it off? Any further color on this will be helpful Chandru.

**C. Thyagarajan:** Thanks for the question. First of all, this is as you already alluded to a combination of billed, unbilled and contract assets. That's point number one. Point number two, the whole billing schedule is as per the deal structure that we signed back in 2019. We have been billing Invacare based on that structure and really what we have had to do is, we decided that we will take the provision for all of the bill receivables as one date. So, we billed them, have a payment term that was agreed on which way we have been billing them. They have not paid us for the past couple of months that was one. Second, we also had un-billed receivables. Again, like I said, the billing was based on the deal structure that we signed up back in 2019 and as part of that deal structure there were still some of the receivables that we had not yet billed as on yesterday and that is one part. Third element is the contract assets. Now the contract assets is nothing but our cost of third party vendors and licenses and some of those costs that we incur specific to this contract, that have been prepaid for and are still lying in the balance sheet. If you ask about the total quantum, roughly it is primarily billed plus un-billed that I would say constitute about 80% and contract assets contributing less than 20%.

**Sudheer Guntupalli:** I am little surprised as to just two months of billed receivables and plus un-billed is contributing almost 120 crores. Given that the revenue share as Angan pointed out earlier is hardly 2% to 3%, how come two months of billed plus un-billed is resulting in almost 120 crores of provision here?

**C. Thyagarajan:** Yes, there is a bit of accounting nuance here, so I will probably not bore you with that, but you know that in a fixed price contract, the way you take revenue is very different from the way you do your billing, so these are two separate streams. In the early part of the contract, in any contract where you have transformation you take more, you spend more effort and therefore take more revenue and then you bill it over a period. We are at a stage where the billing is roughly about two times the revenue that we take. So, the billing is obviously much larger than the revenue that we've been taking. That's one of the reasons why the billed plus un-billed as you see is significantly larger than the revenue that you potentially are estimating.

**Moderator:** The next question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

**Mohit Jain:** As a follow up to the previous one only, when you say contract assets prepaid, this was money paid in 2019 or is it something which was paid in say three months back or something?

- C. Thyagarajan:** So, Mohit I'll take this question. This is money that it's like a continuum, and I will just give you an example here. If there is a certain third-party contract that we have then renewed as part of the deliverable, say we renewed in July 2022 and we did a renewal for a year. We would have consumed seven months of it already and five months would still be remaining in the balance sheet. The contract asset is the sum of all of that Mohit, so it's not back in 2019. It's more recent than that.
- Mohit Jain:** From a cash flow or revenue standpoint, what you're suggesting is that we should take this 3% hit immediately in Q4 and then on that base you will possibly show some growth. Is that understanding, correct?
- C. Thyagarajan:** That's correct. If you knock off the 3% from both Q3 and Q4 and then do a comparison, you will...
- Mohit Jain:** Q4 will be automatically knocked off. You will not book revenues going forward?
- C. Thyagarajan:** That's right.
- Mohit Jain:** Or will you book for the month of January?
- C. Thyagarajan:** Sorry Mohit, we were talking over each other. Yes, Q3 you will knock it off and Q4 you will not have it going forward. Therefore, on that basis if you compare, we do expect a QoQ improvement. Yes.
- Mohit Jain:** Second one was on the other current liability etc. There was this increase on a QoQ basis. What is the nature of this increase? Is this also something to be paid up in the short term or how should we read that?
- C. Thyagarajan:** Yes, it is very unrelated to the conversation we're having around Invacare. We have a few customers that have given us advances and this is a typical of the third quarter for Birlasoft every year, where you have certain customers that give us advances and that gets set off in the following quarters. There were advances amounting to about \$12 million that's gone into the other current liabilities line item.
- Mohit Jain:** Great. That represents part of the growth that you are anticipating ahead?
- C. Thyagarajan:** That is representing part of the growth that we're anticipating absolutely right.
- Mohit Jain:** One more on TCV, like you guys spoke about higher TCV, but if I look at net new it seems to have come off quite sharply QoQ and YoY. What is happening on the net new TCV which has given as \$102 million?
- Angan Guha:** So, on the net new, we have signed up \$102 million for the quarter. But, what you should be also seeing is a funnel. Our funnel size is going up. While we have net news which is a little lower this quarter, but we have renewed a lot of contracts and that also shows the strength of our



relationship and strength of our delivery. We are confident that overall, on the TCV signings what we have delivered, it is a very strong quarter and we hope to continue that in the future quarters as well.

**Mohit Jain:** When you say continue, we should look at 102 million plus kind of a net, because net new will determine growth in some sense for FY24.

**Angan Guha:** Yes, you should look at the past three quarters from a net new perspective. It's a cumulative thing because we are measuring TCV as you can imagine. So, some of the net new will only flow in revenue two quarters out. You should look at it from that perspective.

**Mohit Jain:** And last is on the margin. You guys spoke about some margin expansion in 4Q, is it possible to quantify? Because some of these costs appear like one-off and then there is this moving part which is headcount. You were expecting some increase during the quarter, it actually came off when the cost went up. So, is there some quantification on the margin front that you guys can give?

**Angan Guha:** Yes, so we can't quantify it. But I'll tell you what, in Q3 our margins showed a decline because of two reasons. One is because of the unusual furloughs that we took, which was not anticipated earlier. Second is the kind of investments that we are making. We have been making investment in sales; we are making investment in leadership hiring. Some of it when I draw out my strategy you will see it very transparently in terms of the investments that we are making. Because of that we have taken a little bit of margin hit. The reason why we feel confident of the margin clawing back is because of two reasons. One, it is a longer quarter, 4Q is a longer quarter. We will not have the furloughs and they will come back and because of the investments that we have made and the deals that we have won, it will obviously aid in some revenue uptick as well which will also aid margins. But we can't really quantify an exact number as you can imagine.

**Mohit Jain:** When you say clawing back, you are referring to 2Q margins?

**Angan Guha:** We can't give you a forward-looking statement like that because we don't give guidance. But suffice to say that the margins will be better than Q3.

**Moderator:** Next question is from the line of Dipesh Mehta from Emkay Global. Please go ahead.

**Dipesh Mehta:** Couple of questions, first just to complete on Invacare part. Now if I refer to Invacare release, they mentioned they have terminated MSA on January 27 with Birlasoft and they mentioned some of the reasons, not satisfied with the service and breach of some of the conditions and all those things. I just want to understand whether the intimation came on yesterday or January 27<sup>th</sup>?

**Angan Guha:** So Dipesh, we have been having conversations with Invacare as you know pretty much for the last one month. In the last one week, we have had multiple conversations with them which ultimately culminated into the Chapter 11 filing which happened last night. I can't really comment exactly what happened, because that is client confidentiality. But we have been having

conversations with them for the past seven days. Finally, we got the Chapter 11 notice last night, exactly 24 hours back.

**Dipesh Mehta:** Understand, now if I refer to their MSA termination notice, it appears till January 27<sup>th</sup> billing may continue. So, when we look Q4 revenue, whether we will see roughly a month billing happening in Invacare account or it could be practically zero in Q4.

**C. Thyagarajan:** So Dipesh I will take that question. It will be zero in Q4 because this is as per our accounting policy, the moment a customer moves into Chapter 11, we recognize revenue only on collection. Which means you should expect that we will not recognize any revenue in the fourth quarter, unless we are paid for that revenue and that will be a separate accounting treatment. But for now, we should assume that there will not be any revenue for Invacare.

**Dipesh Mehta:** And because let's say there would be no revenue, so no incremental provision required in Q4 also.

**C. Thyagarajan:** In terms of the incremental provision required, there are two aspects to it. One is there's a revenue-related aspect and two there is a cost related aspect. We have to get to that after the assessment we do based on the legal inputs that we are getting Dipesh. As Angan said it's not even 24 hours, 22 hours to be precise since we got the notification. So, we are still working through this. We will probably get a little more information in the next few weeks on what impact if any, we will have in the fourth quarter.

**Dipesh Mehta:** Now coming to the business side, now we indicated Q4 revenue growth to better than Q3. Now in Q4 we have to take some hit because of Invacare, which is I think earlier in the call we indicated quantum of that revenue. It is including the Invacare, so on reported basis we will see improvement or it is adjusted for Invacare business? The commentary which we made.

**Angan Guha:** So Dipesh like I said earlier you should keep Invacare outside because we don't really know what is going to happen to Invacare based on the legal advice that we get. What we can say and state is operationally outside of Invacare we will show growth in Q4, both on revenue and margins. But Invacare we do not know. It is hard for me to comment in terms of what will happen or how much provisions we will need to take.

**Dipesh Mehta:** So, revenue growth also - is it ex-Invacare in the commentary?

**Angan Guha:** Outside of Invacare, that is correct yes.

**Dipesh Mehta:** Last part is about the EBITDA margin. I understand near term some of the investment plan and obviously S&M investment plus some of this one-off provision which impacted margin. But from aspiration perspective I think earlier we have aspiration to have 15 and improving it to 18 over next few years. So just want to understand your perspective, the way you plan investment to accelerate revenue growth in next few quarters? What would be the range which you would consider as a floor beyond which you would not accelerate investment till the time results come

from the prior investments? If you can give some sense about your thought process on margin trajectory?

**Angan Guha:** So Dipesh we still stay committed to delivering the 15% EBITDA margin that we have committed earlier, we are committed to deliver that. Now the question is, whether we get there in 4Q or the first quarter of next year; we can't comment on that right now, but definitely we will get to 15%. Now on the long-term trajectory to get to 18% again, it will all depend upon the kind of investment we make. We want to build a long-term strong growth-oriented business and for that we will need to make investments. But I am equally aware of the fact that we need to deliver the margins so we will say for now that our first port of call will be to get to 15% but continue to make investment as we go along.

**Moderator:** The next question is from the line of Sandeep Shah from Equirus Securities. Please go ahead.

**Sandeep Shah:** Just further to Sudhir's question on the strategy, I also wanted to understand Angan do you believe that Birlasoft has enough entry door openers or right to wins or you have to invest into that also before making a call in terms of sustainable, considerable, consistent growth turnaround in the revenues? And second the perception of the investor is Birlasoft also has witnessed lot of volatility in the growth in the past because of the project completion, project-based nature of the business. Do you believe even your time is required in terms of streamlining the business to more sticky annuity base revenue or those things are actually already there and though time and investment may not be required much on that side of the business as a whole?

**Angan Guha:** Sandeep first of all again thank you for your welcome and thank you for your kind words. So, Sandeep look does Birlasoft have the capability? Like I said right up front we have got great capability and we have got a great talent pool. We just need to sharpen our focus on the markets that we want to serve and the clients that we want to serve. Chandru also talked about the fact that our top accounts have started to turn around and are doing well. In fact, the top 20 accounts now contribute to 63% of our revenues. But clearly we want to continue to invest over time to shift the trajectory to become more annuity based. Am I happy with the situation that we are today from an annuity-based perspective? Obviously not. We need to continue to invest not only in talent, our sales capability but also our capability in terms of the offerings that we take to market. But the good part though is all the clients that I have met or look at us as strategic partners. Back on the good client momentum that we have, we will shift our business and I will need time and investment to make that shift and we will work on it. We will work on it as we continue to execute on our quarterly vision.

**Sandeep Shah:** Just further in terms of the client potential, do you believe enough can be done in terms of mining and driving the growth in the business or you have to do a well-balanced job in terms of client mining as well as hunting new must have client addition as a whole?

**Angan Guha:** Sandeep like I said earlier our top 20 clients are growing. That obviously tells you that we have got momentum in those clients. Now can all of those clients take us to the next level. The answer is mix. Some of them will, some of them will not. Obviously, we have a good hunting strategy

where we have a list of must win logos that we will build into this. By and large the confidence that we get as a management team is the fact that our top clients have started to do well. We are winning deals as you have seen and as a part of the net new business that we have won we have also won some marquee logos that we want to then invest and start growing out.

**Sandeep Shah:**

Apart from Invacare is there any other large client specific issues? Why I am asking this is if I look at the margin ex of Invacare provision for doubtful debts, there is a rupee depreciation, there is actually a utilization improvement as well. I do understand the other headwinds you call out is investments. But is there any other write-offs which we might have done in terms of discontinuation of some of the low margin business or deal accounts or you believe those things are not required on a going forward basis or not done in Q3 as well?

**C. Thyagarajan:**

Sandeep let me take this question in two parts. Part number one, are there other large accounts that are like the Invacare account? The answer is an absolute no. I already told you that we have had a very strong DSO. We continue to have amongst the best DSOs across the peer group as you can imagine, one. Two our collections for the past quarter, I also gave you the number it's been the best ever and we continue to do well on that front also. So, for us clearly that's an indicator of the fact that clients like the work that we do and pay us on time, that's point number one. Point number two, in terms of whether there are any other provisions one-time, there will be some little items that is coming on a QoQ basis sometime plus, sometime minus. We are not measuring minus here but I can tell you that we have a very strong provisioning process. We have an estimated credit loss policy on which basis we take our provisions based on many factors that we consider including the geographies that we operate, the kind of customers, the industries that these customers work in, the overall credit rating for our customers in our assessment and factors such as payment terms; are there any payment delays in specific cases based on client behaviors and so on and on that basis we take provisions as well in addition to specific provision that we have taken on Invacare this time around. So short answer to the question is that there are no other significant one-time impacts that we anticipate in Q4, except the fact that we need to assess what's going with Invacare, that's point number one. Point number two, with furloughs not being there one, the project holds being lifted two, and with some of the investments that we made in Q3 starting to yield results in Q4. We are confident that the uplift that we expect to see in Q4 will happen Sandeep.

**Moderator:**

Next question is from the line of Manik Taneja from Axis Capital.

**Manik Taneja:**

So, my question was for Angan. You have talked about sharpening our focus both in terms of markets and clients. Now in this regard in case of Birlasoft over the course of last 3-3.5 years since this company was carved out through a merger of the erstwhile Birlasoft business and KPIT's IT Services business. You guys have been pruning your long tail of accounts and trying to focus on a smaller set of customers and mind them better. So, do you think we essentially continue in that journey going forward over the next 2-3 years, that's question number one. The second thing is that in terms of building out additional capabilities to transform or accelerate growth, do you think we will look to leverage the cash in our balance sheet to build our capabilities?

- Angan Guha:** So Manik, first of all, to answer your first question, we will absolutely focus on the top accounts and again if you remember what Chandru said slowly our share from our top 20 accounts have risen to 64% and that is where our investments are going to go in disproportionately. We will disproportionately invest in our top 20, our top 40 accounts but equally we have a list of must-have accounts that will go in and we will continue to focus on them. So that is point number one. On the capability side, I feel the capabilities that we have created whether it is digital, whether it is in infrastructure, whether it is data and analytics is actually world class. What we will do though is we will get more and more sharp focus around the verticals where we can take the capabilities on and as you know that our clients actually buy business solutions in our technology solutions. So, the vertical veneer in terms of what do we mean for the banking industry, what do we mean for the Manufacturing industry is going to be crucial. So, a combination of our vertical focus and the technology focus with a focus on the top 20, top 40 accounts I think will be a big part of our strategy going forward.
- Manik Taneja:** And the question was on around using acquisition to essentially build capabilities or this could be an organic build out?
- Angan Guha:** First of all, we will execute on QoQ organically, that is the first thing we will do and we will continue to do it for some quarters, till we feel very confident that we have gone into a QoQ growth mode and once we have got there then we will look at if there is an inorganic necessity. We do not really know whether there is an inorganic necessity right now. Right now, our job will be to execute topline growth and margin growth and create positive cash flow QoQ.
- Manik Taneja:** One last clarification question, you spoke about the need to increase investments, while I do understand that you have an aspiration from a long-term standpoint to get to 18% EBITDA margins and probably pull back margins to about 15% in the near term, but you think we should think about the next 12 months to 18 months in terms of some dilution in margins as we meet the investments in terms of client relevance?
- Angan Guha:** I cannot make a forward-looking statement. I can only say that we will continue to invest to build a long-term strong business and equally our aspiration will be to continue to deliver 15% EBITDA margins.
- Moderator:** Thank you. The next question is from the line of Ravi Menon from Macquarie Group. Please go ahead.
- Ravi Menon:** Are there any strength that you found at Birlasoft especially in BFSI that have been possibly surprised by? When you said that you will sharpen this broader market by industry, anything that you think we have some possibility or opportunity for some easy pickings?
- Angan Guha:** In Financial Services obviously, we have got some very good clients that we are working on and we are mining and we are growing them and most of our clients you have seen through the results have restored a lot of faith in us and are working with us to kind of very closely. So, in my mind financial services will continue to be very strong, we have got great capabilities in the

banking sector and within banking a couple of very niche processes where we are very strong at and we will continue that growth trajectory.

**Ravi Menon:** Generally, it has been perceived at Manufacturing because of I guess primarily Oracle or SAP work it is seen as a laggard. Do you think that we now have a good cycle there Manufacturing when I say the HANA upgrade or anything else that we can look forward to have this vertical come in line with the company average?

**Angan Guha:** First of all, we have a new leadership as far as Manufacturing and Hi-Tech is concerned. We are excited about the new leader who is coming into grow this business. On the second part the point that you made about S/4HANA creates a huge opportunity for us. We think the cycle is churning, we think the Manufacturing sector in general over the next few years will see an uptick and we want to capitalize on that uptick. We are definitely very focused on that vertical, we are investing in that vertical like I told you we have a new leader now and on the back of the new leader we will see a lot of growth going forward.

**Ravi Menon:** Since you mentioned new leader for Manufacturing, any other changes that you could mention that you made so far in the go-to-market as part of the strategy?

**Angan Guha:** So, we have a new leader for our Life Sciences business, we have a new leader for our Energy & Utilities business. So, we are making a lot of changes as we speak some of the leaders are already on board, some of the leaders are coming on board. So, yes we are making a lot of investments and which is why Chandru talked about an investment cycle through October, November and December.

**Ravi Menon:** And one of those net new deal of 102 million, any further large deals or very long-term deals like a 10-year deal signed with Invacare?

**Angan Guha:** No, we do not have a 10-year deal, but we have three good deals. We cannot talk about those clients because it is confidential, but I can tell you we have three very good deals.

**Ravi Menon:** Chandru you talked about those fixed price deal with Invacare, you are recognizing revenue I think according to you what you had planned going by the milestone. Is that why to this cash conversion or the billing has actually been lagging the revenue or this is like particularly large milestone that we have not really been able to deliver on or the client is now without actually accepting it?

**C. Thyagarajan:** So, it is more of a former Ravi. The way the billing schedule was agreed upon a part of the structuring was that the billing will lag revenue in the initial quarters and then the revenue will lag billing in the later quarters. So, we are in this phase right now where we had more billing than revenue, but yes in the initial quarters when the maximum effort was being put into the transformation was where we had more revenue than billing. This is part of the accounting policy which we have been consistently applying across all of our fixed price clients.

- Ravi Menon:** I think if I recall right in the July 2022 call by Invacare, I think they mentioned that they were pretty happy with the work that you guys have done and they have managed to save a lot of the G&A side structurally, billions of dollars in saving is I think what I called out, so now to move to a point where they are actually accusing you off contractual breach of MSA, have you been appraised of what they are saying that you have kind of reached?
- Angan Guha:** First of all we do not know what they are accusing us of, because it has been a string of conversations Ravi and then it culminated into chapter 11. I can only tell you that we are executing flawlessly and we were getting paid on time. So, we are not aware what they are accusing us of and that is all under discussion.
- Moderator:** Thank you. The next question is from the line of Shradha from Asian Market Securities. Please go ahead.
- Shradha:** Couple of questions firstly within Manufacturing we have good expertise in Hi-tech and that sub-verticals seems to have done well in the previous few quarters, but with what we are hearing on the Hi-tech verticals from other larger vendors, what is our outlook on the same and with respect to that how do we see growth in manufacture overall on then ?
- Angan Guha:** Manufacturing has been a strong vertical for us and like I said we are seeing a lot of traction in Manufacturing both on the discrete Manufacturing side and the non-discrete side. Hitech is a big focus area for us and though the Hi-tech companies are currently going through a little bit of a tough cycle because of everything that we are reading in the papers, but at least from our client perspective we believe that business will turn around very soon as the cycle turns. So, we are very confident we will continue to invest both in Hi-tech as well as in Manufacturing.
- Shradha:** Secondly you have indicated that you are looking at improving margins, but it is just two months that you have been around, but you must have identified by now some areas that you would focus on initially for driving improvement, so can you mention those improvement areas that you are focusing on at the first go?
- Angan Guha:** Shradha can you wait for couple of four weeks to a month for me to outline my overall strategy. When I get an opportunity to meet all of you and outline my overall strategy you will automatically see, how we will save some cost to improve margins at the same time investing at the right places. It will be a little early for me to comment on that because it is a part of a much larger strategy Shradha.
- Moderator:** Thank you. The next question is from the line of Abhishek S from InCred Capital. Please go ahead.
- Abhishek S:** My first question is regarding your comment in your prepared remarks. You mentioned about a legal opinion related to bankruptcy, can you highlight what is this regarding the legal opinion is to and is there any onetime settlement that are we kind of contemplating that is question number one. The second is on the fungibility of the resources working on the Invacare project. What we

wanted to understand is that how soon they would be deployed on the newer projects? And the third question is on the sub-contracting numbers, can you just highlight what it was for the quarter and the previous quarter as well and would the Invacare contract or the closure of this contract would that mean that there could be some savings from the sub-contracting number or the sub-contracting expenses?

**Angan Guha:**

First of all the reason we said that we are taking legal opinion is because as you can appreciate and Chandru illicit to this earlier we got the notice only 22 hours ago. We have looked at and since they have filed for chapter 11, we need legal opinion in terms of how do we need to proceed because I am sure you are aware, when any company files for chapter 11 then the courts get involved. So, it is important for us to take the legal opinion. So to your question how many people can be redeployed and how quickly, will all depend upon how this negotiation goes. So, very early for us to talk about, but over the next two or three weeks we will have a better situation. So, subcon I will ask Chandru to talk about.

**C. Thyagarajan:**

You got a two-part question on subcon Abhishek so let me take both of that. First of all on subcon we did see a slight dip in Q3 versus Q2 also because as we got the furlough where we have the flexibility to put subcons on further as well. So, there was a slight dip, but it would not significant to be honest that is one. Second you also talked about the subcon on the Invacare account and deployment right. You additionally alluded to employee on Invacare account and redeployment of these resources. So, on both my response would be we will wait for the legal advice on the go forward with respect to the Invacare account because I am sure that there are do's and don'ts that we need to be educated on. We will get some more clarity on this Abhishek over the next several days before we can comment on what we will do going forward. We want to make sure that we are compliant with all regulatory requirement in the US.

**Abhishek S:**

Just a last one from my side, now given that you are saying that you are awaiting the comments from your legal side I presume that the TCV number would not have been adjusted for on a go forward basis for this client or it has already been in your press release?

**C. Thyagarajan:**

So, the way we report TCV signing are only new signing when I say new signings it could be renewals it could be new signings from existing customer or new signings from new customers. So, the numbers you have do not include any past information positive or negative .

**Abhishek S:**

My question was not for us, but would you kind of readjust that and kind of highlight us in terms of on a go forward basis?

**C. Thyagarajan:**

I am not sure I understand the question, our order book will have to obviously get readjusted based on what kind of advice we are getting from the legal advisors, but that will still like I said depend on the clarity that we will hopefully get over the next several days.

**Moderator:**

Thank you. The next question is from the line of Rishindra Goswami from Locus Investment. Please go ahead.



- Rishindra Goswami:** Just the same I think continuing the Invacare legal issue there I mean are we obligated to keep providing the service or there is some kind of contract exit clause from our end as well, just some clarity would be helpful?
- Angan Guha:** That is exactly what we are waiting for our legal lawyers to come back on, because these are the questions that we also have that when a company files for chapter 11 are we obliged to continue delivering the service and even if we do not get paid for it. We do not know the answer to that question like Chandru said over the next several days, we will know more once we know more we will intimate you.
- Rishindra Goswami:** Will that mean is there a possibility of us taking more provisions?
- C. Thyagarajan:** I answered this question earlier in the call, will just repeat. See there are two parts to it, there is a revenue side, there is a cost side. On the revenue side, we believe we have taken all of those provisions. We still have to make an assessment of what the lawyers come back with, to Angan's point do we have to continue delivering services, if yes for how long, how much, in what capacity. Again there are nuances in the bankruptcy as well. Because at least the information that what provided to us says that the bankruptcy is in the US only not international operations, we supported operation globally. So, we got to get a lot more clarity on this Rishi before we can attempt to respond to you.
- Moderator:** Thank you. The next question is from the line of Chirag Kachhadiya from Ashika Stock Institutional Equities. Please go ahead.
- Chirag Kachhadiya:** My question in relation to the previous participants question in terms of provision on cost front can you repeat what provisions is supposed to be taken going forward if any extra amount will be required to be allocated?
- C. Thyagarajan:** Again, I would not speculate on that one, but I will give you an accountant answer to this, with hypothetical information Chirag just for the benefit of you and the other on the call. Say for example, I am told that I should continue services, but I will not get paid. I already said on this call that any future revenue will only be against actual collection and there will be a timing difference to it. So, say I provide services for February and March and I get paid in April. I can only count revenue in April, but I will have cost cutting in February and March as an example. So, those are the kind of provisions I will continue to carry because I will have a cost for the period. So that is just an example of the kind of provisions that we could be making. Now again I am not speculating that it could be that, I am just giving you an accountant answer on what could be coming if at all. We do not know yet we will know the common shape that it will take as we get more clarity.
- Chirag Kachhadiya:** Sir our aspiration or expectation in terms of Q4 that it is better than the Q3, does this include all this assumptions or the provisions which is supposed to be there?

- Angan Guha:** Chirag what we have done is when we said that our Q4 will look better than Q3, that is operationally. We have kept Invacare outside, outside of Invacare we will show better results and Q4 will be better than the Q3 quarters.
- Moderator:** Thank you. The next question is from the line of Shubham Shukla from Voyager Capital. Please go ahead.
- Shubham Shukla:** My question is around the provisions only, so we have created provision for whole receivables right?
- C. Thyagarajan:** That is correct we have created provisions for all of the receivables billed and unbilled and for all of the contract asset that we have been able to access in the last 24 hours.
- Shubham Shukla:** And it is our like 3% of our revenue?
- C. Thyagarajan:** The impact on revenue is around 3% going forward what the comment that we made Shubham.
- Shubham Shukla:** Our margins are largely impacted like from the other expenses not from the provisions we have created?
- C. Thyagarajan:** No, the provision that we have created is sitting in the other expenses line item. So, the other expense line item include 19 million of provisions.
- Moderator:** Thank you. The next question is from the line of Sandeep Shah from Equirus Securities. Please go ahead.
- Sandeep Shah:** Just one question in terms of Enterprise solution. At the one end, one can be excited because that is a differentiated positioning and services for the Birlasoft through positioning in SAP at the Oracle within the midcap basket. However, at the other end it has been a growth decelerator for Birlasoft as a whole, so when you are taking over this portfolio do you believe a huge task is required or the time has come where this could be a growth contributor rather than a growth decelerator, so what all things you plan to do in terms of Enterprise solution as a whole?
- Angan Guha:** I definitely for one belief with the Manufacturing turnaround over the next three or four quarters even the ERP solutions will get into growth. You are right that has not delivered growth for us, but with S/4HANA creating an enormous opportunity as well as even JDE continuing to be steady not growing but continuing to be steady. I think there is an opportunity for us to show growth, but equally what we are excited about is our new age services, our digital services, our data analytics services, our infrastructure services they will grow far higher than the Enterprise solution business.
- Moderator:** Thank you. The next question is from the line of Kartik Gada from Multiple Wealth Management. Please go ahead.

- Kartik Gada:** Once again on the provision number, I could not understand one thing. So you mentioned the exposure to revenue was 3% which comes to around the same amount 150 crores, so I just could not understand is it like annual provision? If you can explain and related to that itself would it be possible for you to provide a breakup not right away, but if it can be shared through the exchanges breakup for the provisions?
- C. Thyagarajan:** I did share this detail at least at the percentage level earlier on this call, but just to reiterate there are three elements to the provisions. There is a bill receivable, there is an unbilled receivable and there are contract asset that is sitting in the balance sheet and I also explained about how accounting treatment works on fixed price contract and the fact that revenue and billing are parallel tracks they are not exactly same this unlike in a CMM contract where billing and revenue will by and large be the same set of numbers. So, the revenue right now that we have been accounting for is much lower than the billing that we have been doing and in the initial quarter into the contract our revenue will be greater than the billing. All of this has to do with the amount of effort that we provide in the particular month based on how the contract delivery schedule happened and the contract billing schedule was structured in a certain way. So, that is why you find that the revenue and the provisions are kind of asynchronous with each other. There is also contract assets that I explain which are predominantly prepaid third-party vendor cost that are unamortized and was sitting in the balance sheet as of yesterday which we have provided for as well.
- Kartik Gada:** Little bit more on this only so would there be some element which might be say 6 months, 9 months aged also and hence higher number of provisions?
- C. Thyagarajan:** I did explain this is well, we still need clarity on the go forward before we can talk about what provisions if any or what cost if any we will incur in Q4 and beyond and it will all depend on the legal advice we get. Like we have been saying it has been very early days it is not a full days since this incident happened, but we manage to account for it in time for our board meeting today. We will continue to work through this to understand what provisions if any we will be taking for the future. I thought you also talked about any of these provisions recoverable I can tell you that all stories subject to the discussions we will have and the opinions we will get from legal advice as we works with them.
- Moderator:** Thank you. The next question is from the line of Mihir Manohar from Carnelian Asset Management. Please go ahead.
- Mihir Manohar:** I mean largely I wanted to understand around the Enterprise side of the thing. I mean we are seeing Enterprise business affecting us over the last two, three quarters so what is largely hurting us over there. I mean a general market perception is that Birlasoft has more of legacy business on the Enterprise side of the thing, so if you could clarify if you could provide an understanding on the Enterprise side of the thing. I mean what kind of capability building is required on that side of the thing and how should one see this particular segment over the next, I mean from here on over the next one year. That was my first question and second question just a clarity on the provision part. I mean so we have created provision for all the money that was existing as on the

balance sheet, so having 150 crores was existing as bill receivable plus unbilled receivable plus contract, is that understanding correct or is there any more money pending on the balance sheet which is yet to be provided? So that was my second question and lastly third question you mentioned that there is a good leadership hiring which has taken place in Life Sciences, Energy & Utilities verticals, so just wanted to get a clarity which organizations are these people coming from and what is the overall thought process over there?

**C. Thyagarajan:**

I will take the question on the provisions and I will hand it over to Angan for the rest of the questions. I hope we still remember the question, but we will try. On the provisions like we said we have taken all of what we had in the balance sheet as of yesterday that is all of the billed, unbilled and contract asset as of yesterday. So, while we are still working with our legal counsels on exactly what this will mean to us in terms of implication, in terms of the way forward. As a prudent policy we decided that we will take all of it without waiting for advice.

**Angan Guha:**

So Mihir let me take the first question that you asked about the Enterprise business like I was responding to an earlier question the Enterprise business which is so related to our Manufacturing business will take a couple of quarters to turnaround, but I strongly believe in that business we will continue to stay invested in that business and like I said because of our relationship with some of our partners the S/4HANA story I think is a great story for us. To your question whether we are a legacy player and I am not going to say that we will remain a legacy player, we are pivoting ourselves to become more digital, more data, more analytics kind of a player, but even the legacy business is not such a bad business because that will show growth considering the fact that even the Enterprise business is now starting to move slowly to cloud. So, overall in a nutshell I feel very strongly about both the business though our new-age business will grow faster than our Enterprise solution business as we go forward so that is one. In terms of the leadership hiring, we continue to hire from the best companies I would not like to give individual examples because that will not be correct, but I can only tell you, we are being able to attract top talent from the market and they will help us deliver strong growth going forward.

**Mihir Manohar:**

Just on the legacy new-age part of the business how much if I can get an understanding what is the legacy percentage in your Enterprise business?

**Angan Guha:**

Again, we do not report numbers like that Mihir so it is very hard for me to give a number of the hand but suffice to say that our new-age business is growing faster than that. Now exactly what is the percentage of legacy business is very hard because even in the Enterprise business only a part of it is legacy as you can imagine, part of it is the new age because there are lot of customers who are moving into cloud and that is also an opportunity that we will bank upon.

**Mihir Manohar:**

And lastly I just had one question to Angan given the fact that you are having 25 years of experience at one of the large organizations handling more than \$3.5 billion kind of an account, so just wanted to understand what is your thought process of joining a \$500 million company from a personal career angle I mean just a question I have?

**Angan Guha:** I strongly believe and I am 60 days in the company that first of all Birlasoft is a great brand, it is a great asset like I said it is a great company and the people and the clients that have interacted are terrific. So, for me personally it is a great opportunity to kind of build on what we have already build over the past so many years. It is a very good business, it is a clean business Chandru has talked about the positive cashflow generation that we have done, and the DSOs that we have been able to deliver, our top 20 clients are growing. So, there is a lot of positivity around the company and with sharper focus I think we can only go places. So, like I said we will continue to invest and we will invest for the long term and which is pretty exciting for me.

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

**Dipesh Mehta:** I think earlier in the commentary you have indicated about some projects are put on hold if you can help us understand what is the progress? Whether those projects are coming back from revenue conversion perspective? And second question is about slightly medium term, if you can provide Angan I do not know whether you would like to take it now or maybe a month down the line, from vertical composition perspective, do you expect these vertical composition would give you enough comfort for growth sustainability over three year, five year perspective or you intend to make certain changes in investment and accelerate investment in some of the vertical to make it more balanced compared to currently it is more skewed towards Manufacturing?

**Angan Guha:** So, Dipesh second question I would prefer to take later because that would form a part of our larger strategy and when I am able to talk I will talk. On the project hold that was a very Q3 commentary because it is a short quarter, it is a seasonally weak quarter and some of our customers wanted to push out the start date to 4Q. We do not see that to be an issue and all of those projects that got pushed out to 4Q will start in 4Q.

**Moderator:** Thank you. The next question is from the line of Anmol Garg from DAM Capital. Please go ahead.

**Anmol Garg:** I have two questions firstly within our SAP practice how much installation would be towards HANA and currently what percentage of revenue is coming from Oracle and JD Edwards so that is one and secondly if you can highlight that how much portion of the Invacare deal has been executed as of now that is it?

**Angan Guha:** I will ask Chandru to talk about the second question and I will take the first question after Chandru comments on the second one.

**C. Thyagarajan:** So, on the second question, the way this deal was constructed was a combination of implementation and applications service and Infrastructure Services. There were implementation of ERP in some of their geographies that we had concluded and few more were in flight when the event happened yesterday that is one. The Application Management and the Infrastructure Management services are of continuum and that is being continuing right from day one hopefully that answered your question.

- Angan Guha:** And Anmol on the first question, look like I was saying earlier we do not report numbers based on partnerships because that will be something that we will work with the partners, but our Enterprise business is one common business and like I have said earlier that has not grown for the company, but I am confident that over the next three, four quarters that will be back in growth as the Manufacturing cycle turns around so that is point number one. Point number two is in terms of what percentage of business is legacy and what is new? Again, hard for me to comment because every partnership will have a legacy component and the new component. I can only tell you two things our new component of our Enterprise business is growing above industry levels, our legacy business is flat, but our digital business, our data business again is growing at ahead of industry and that gives us tremendous confidence that going forward we will be able to be back at industry level growth or higher.
- Anmol Garg:** Just one thing if Chandru you can quantify the number that how much of the deal has been executed as of now if we are quantifying that?
- C. Thyagarajan:** It is kind of complex, when I say complex because like I said the Application Management and Infrastructure Management is an ongoing exercise. So, I deliver 100% of that scope every month that is one. Second, in terms of implementation right we have been doing implementation based on the contract deliverables and based on client requirement from time-to-time. So, there again whatever has been given to us has been delivered 100% and there are some that are in flight like I said and I really do not know what exact percentage that would be.
- Moderator:** Thank you. The next question is from the line of Anmol Grover from Albatross Capital. Please go ahead.
- Anmol Grover:** My question is on the \$1 billion vision that the Birlasoft has given before. So given Invacare was quite a big client for us and facing challenges on that and there is a lot of uncertainty, so wanted to know your initial thoughts on the \$1 billion vision going forward?
- Angan Guha:** Anmol look we are committed to growth and we are committed to building a long-term growing business. Now obviously like you rightly said with the Invacare situation we do not know where that will land and that is the last portion of our portion, but I would say that let us remove Invacare and just put it in a separate bucket. The management commitment to you would be that we will continuously sequentially grow our business and sequentially grow our profits as we go forward. We definitely will get to a billion, but when do we get to a billion, etc., is hard for us to say because of the Invacare situation at this point.
- Anmol Grover:** Can we expect anything in your when you would be giving the go-to-market strategy in the future?
- Angan Guha:** So, I will give you the strategy going forward, but Invacare depending upon what we get from the legal opinion we will know where we stand on that one. I am not too sure whether that we will be able to give in one month, two months I have no idea like I have said we have just got

the notice 22 hours back, but like I keep saying I want to keep Invacare outside and operationally continue to grow the business as we go forward.

**Moderator:** Thank you. Ladies and gentlemen that would be our last question for today. I now hand the conference over to Mr. Angan Guha – CEO and Managing Director, Birlasoft, for closing comments. Thank you and over to you, Sir.

**Angan Guha:** Thank you. So, I once again want to thank all of you who have joined us on the call today. Your questions have been very insightful and I appreciate your interest in Birlasoft. As we share our is a strong business with solid fundamentals and capabilities and we will be building upon that. I look forward to speaking with you again next quarter meanwhile please feel free to reach out to Abhinandan for any clarifications or feedback. Thank you once again and have a great evening or morning wherever you are.

**Moderator:** Thank you very much. Ladies and gentlemen on behalf of Birlasoft Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

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(This document has been edited for readability purpose)

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