November 05, 2026

Listing Department,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001
Scrip Code: **532633**

Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051
Symbol: **ALLDIGI**

Dear Sir / Madam,

Sub: **Transcript of the Earnings Conference Call**

Pursuant to Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that the Transcript of the Earnings Conference call, conducted through digital means on October 30, 2026, has been uploaded on the website of the Company under the link: https://www.alldigitech.com/investorrelations/ (Corporate Governance /Investor Call Tab).

This is for your information and records.

Yours faithfully,
For Alldigi Tech Limited

SHIVANI SHARMA Digitally signed by SHIVANI SHARMA Date: 2026.11.05 15:55:11 +05'30'

Shivani Sharma
Company Secretary and Compliance Officer
ACS - 39590

“Alldigi Tech Limited

Q2 FY '27 Earnings Conference Call”

October 30, 2026

MANAGEMENT: **MR. NATARAJAN LAXSMANAN – CHIEF EXECUTIVE OFFICER – ALLDIGI TECH LIMITED**
MR. MANISH AGARWAL – CHIEF FINANCIAL OFFICER – ALLDIGI TECH LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Alldigi Tech Q2 FY '27 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Natarajan Laxsmanan. Thank you, and over to you, sir.

Natarajan Laxsmanan: Thank you very much. Good morning, everyone. Thank you for joining Alldigi Tech Q2 FY '27 Earnings Call. I'd like to start by thanking all the shareholders for the trust, confidence and the continued support that you give to Alldigi Tech. It keeps us motivated to continue to perform. Today, I'm joined by our CFO, Mr. Manish Agarwal.

We'll begin with an overview of our business performance, operational highlights and strategic priorities, followed by a detailed review of our financial performance. We will then be happy to take your questions. I'm pleased to report another quarter of strong financial performance with steady revenue growth, significant improvement in profitability, healthy cash generation and meaningful progress on our strategic priorities.

Beyond the financial results, we continue to strengthen our international business, improve our revenue mix, expand our sales capabilities and accelerate our technology-led transformation. I'll take you through some of the key highlights. On the financial performance for the first half of FY '27, we reported revenue of INR 303.6 crores, growing 4.2% year-on-year, while EBITDA increased by 20.8% to INR87.7 crores.

Our EBITDA margin improved to 28.9% for the H1 FY '27 compared with 24.9% in the corresponding period last year. For Q2, revenue stood at INR153.3 crores, growing 4% year-on-year and 2% quarter-on-quarter. EBITDA grew approximately 29% year-on-year to INR46.3 crores with margins expanding to 30.2%. PAT increased by approximately 51% year-on-year.

Our cash position remains healthy at INR127.2 crores as of September '26, while collections for the first half increased by 4.3% year-on-year to INR316.9 crores. One of the key highlights has been improving quality of our revenue. International business now contributes approximately 70% of our consolidated revenue compared with around 63% last year.

While revenue growth remains moderate, our profitability continues to grow significantly faster than revenue, reflecting operating leverage and improved business mix and disciplined cost management. Manish will take you through the detailed financials shortly. On the business performance, I'll start with our Tech & Digital business. Our Tech & Digital business continued its growth momentum, delivering 12.9% year-on-year revenue growth in Q2, with segment margin improving to 43.9%.

For the first half, T&D revenue grew 12.4% on a year-on-year basis to INR82.3 crores. We continue to strengthen our position in the HR and payroll managed services market. During Q2, we processed 51.1 lakh employee records, taking the total for the first half to 101.3 lakh records. We have also added INR16.1 crores in new annual contract value during H1 through new customer acquisitions and expansion of services within existing accounts. Our key service

delivery metrics, including payroll accuracy, on-time delivery and query turnaround times continue to improve year-on-year.

On the BPM segment, the segment delivered stable performance with Q2 revenue at INR111.6 crores, growing approximately 1% year-on-year. For the first half, BPM revenue stood at INR221.3 crores, growing 1.4% year-on-year. International BPM continues to be a key growth driver, growing 12.6% year-on-year in Q2 and now contributing approximately 83% of the BPM revenue compared to 75% in the corresponding quarter last year.

During H1, we secured INR66.5 crores in new ACV across new customers and existing customers. Our service delivery performance continued to remain strong, supported by the initiatives we've taken to improve productivity and embed AI into existing customer operations.

At the same time, we continue to take deliberate actions to improve the profitability of our domestic BPM portfolio, including exiting structurally low-margin businesses. Our focus remains on profitable and sustainable growth rather than pursuing revenue at the expense of margins. Coming to the growth engine, an important priority during the first half has been strengthening our sales organization and go-to-market capabilities.

We've appointed a new Chief Business Officer for the BPM business. We've expanded our international sales team, and we now have experienced sales leaders from the BPM industry leading the U.S. sales team. And there is an established SMB sales team and an enterprise sales team within the Tech & Digital.

We've also expanded our sales capability on the BPM side into Southeast Asia. We also have incorporated a dedicated practice team to strengthen solutioning, presales and product capabilities. During Q2, we secured new business with an annual contract value of INR37.2 crores, growing 86.5% year-on-year. For H1, our new business ACV reached INR82.6 crores, more than doubling compared to the last year.

This includes INR66.5 crores from BPM and INR16.1 crores from Tech & Digital. Our immediate priority is converting these wins into revenue over the coming quarters. Moving on to AI and technology-led transformation. Across BPM, we are now moving beyond the traditional delivery, embedding AI across all of our BPM delivery to improve productivity, quality and customer outcomes.

On Tech & Digital, we continue to invest in our AI and automation strategy led by technology. Our products, our internal operations and our end employees of the customers, all of them enjoy the benefits of AI. Moving on to the product strategy. We have -- in the month of May 2026, we launched Buzzily 2.0. And recently, in October, we launched 2 more products, Alldigi 360 and Alldigi 360 Analytics. Just to clarify, in the last meeting, I have called this as Aeonox and Meridian.

We've now changed the name to reflect the company family group name as such. And so going forward, we'll refer to these products as Alldigi 360 and Alldigi 360 Analytics. On Alldigi 360, this is an entire HCM suite, including Payroll and it has the capabilities in terms of managing

core HR, employee self-service, time and attendance, leave, payroll, performance, onboarding, help desk, reimbursement and alumni workflows.

And this is a SaaS-based platform that's capable of managing the SME customers as well as the enterprise customers. And this is something which we are offering as a technology-only outsourcing as well. On Alldigi 360 Analytics, this is a complete AI analytics, which sits on top of our existing solutions, and this is capable of being available as an individual stand-alone module where a customer can continue to use their existing HRIS and use this analytics on top of it.

The analytics covers headcounts and movements, attrition, payroll cost, pay variances, compliance, attendance, leave trends over time, diversity and custom dashboards. So this is a combination of a custom dashboard that you commonly see in the market and also brings in the AI capability where you can go ahead and modify it according to the needs you have.

Moving on. In terms of international growth opportunity, our international expansion remains an important strategic priority. In the U.S., we are focused on expanding our presence across customer experience, financial services, collections, health care, RCM, insurance as our verticals.

We see opportunities to deepen existing customer relationships while pursuing new business through our strengthened sales organization and partner ecosystem. As I mentioned, in Southeast Asia, we are expanding our sales, and we are already seeing initial offshoots in terms of results with good ACV bookings that has come in, in Q2 and a good projection that we have in the H2

In terms of people, service delivery and organization, alongside our commercial and technology investments, we continue to focus on building a high-performing organization. Our service delivery performance remains strong across both the business segments, and we continue to invest in operational excellence, customer satisfaction and employee engagement.

We are encouraged by the positive employee feedback that we received, and we also continue to encourage employee participation in our CSR activities. We believe that attracting, developing and retaining the right talent will remain critical as we scale our international operations and technology capabilities. In terms of the priorities for H2, first is to accelerate revenue by converting our sales pipeline into new business wins.

Second, sustain profitability improvement through operational efficiencies, automation and disciplined portfolio management. Third one would be to expand our international business and strengthen our presence in key growth markets. Fourth one is to accelerate AI adoption and scale our technology and product capabilities.

Fifth one is to continue strengthening our existing customer relationships, service delivery capabilities while looking at new relationships that we have established with the new customers. Our strategy remains focused on deepening client relationships, expanding our global reach, driving efficiency through technology and AI, building a future-ready, high-performing organization.

Our platforms are progressing towards scale, sales channels expanded and execution disciplined impact. We believe we are well positioned to capitalize on the opportunities ahead. I'm also pleased to announce that the Board of Directors of the company has approved a proposal to buy back shares of up to 4.8 lakh equity shares at INR1,000 per share, representing an INR48 crore in share consideration subject to applicable approvals. The decision is consistent with our dividend distribution policy to reward shareholders. Given our strong financial position, healthy cash generation and debt-free balance sheet, the Board considers buyback an appropriate means of returning surplus capital to shareholders.

Our commitment to international expansion, technology-led transformation, product development and profitable growth remains unchanged. We believe this balances shareholder returns with long-term investment needs. To conclude, we are encouraged by our performance in the first half. More importantly, we are building the foundations for the next phase of Alldigi's evolution. With that, I'll now hand over to our CFO, Manish Agarwal, who will take you through the detailed financial performance of the quarter. Thank you.

Manish Agarwal: Thanks, Nat. Greetings, everyone, and thank you for your continued interest in Alldigi Tech. Now let me take you through our financial performance for the second quarter and the first half of financial year 2027. Revenue from operations for quarter 2 financial year 2027 stood at INR153.3 crores, representing a growth of 4% year-on-year and 2% sequentially.

For the first half of 2027, revenue was INR303.6 crores, an increase of 4.2% year-on-year basis. While headline growth continues to be moderate, the underlying revenue mix continued to improve with healthy growth in international BPM and Tech & Digital, partly offset with our planned reduction in low-margin domestic business. Importantly, international revenue grew 15.1% year-on-year in quarter 2 and accounted for approximately 70% of total revenue.

Now let me cover the performance of our 2 business segments. In the BPM segment, Q2 revenue stood at INR111.6 crores growing 1% year-on-year and 1.8% sequentially. International BPM revenue grew strongly by 12.6% year-on-year basis and now represents approximately 83% of the BPM revenue. This growth was partly offset by a 33% year-on-year decline in domestic BPM revenue, reflecting our deliberate initiative of exiting or resizing low-margin engagements. For the first half, BPM revenue stood at INR221.3 crores, representing growth of 1.4% year-on-year with international markets continuing to be the principal driver of the growth.

Now let me come to the Tech & Digital segment. In the Tech & Digital segment, Q2 revenue was INR41.7 crores, an increase of 12.9% year-on-year basis and 2.7% sequentially. For the first half, Tech & Digital revenue grew 12.4% on a year-on-year basis to INR82.3 crores. We processed 101.3 lakh employee reports during the first half of 2027, reflecting continued operational momentum and growing scale of our capable and scalable service platform.

In Q2 alone, employee records processed increased 7.2% year-on-year basis to 51.1 lakhs. Now moving to profitability. Our Q2 EBITDA stood at INR46.3 crores, growing 28.5% year-on-year basis and 12% sequentially. EBITDA margin expanded to 30.2% compared to 24.4% in Q2 last year and 27.5% in the previous quarter.

For the first half, EBITDA increased by 20.8% YoY basis to INR87.7 crores. EBITDA margin improving to 28.9% from 24.9% in the first half of 2026. The improvement in profitability was driven by a better revenue mix, the reduction of low-margin domestic BPM, operating efficiencies and continued cost discipline.

While quarterly margin may be influenced by business mix, currency movements and the timing of the client trends, the structural drivers of the margin improvement are intact. In the BPM segment, quarter 2 segment margins stood at INR17.5 crores with a segment margin improving to 15.6% compared to 11.6% in Q2 last year and 11.9% in the preceding quarter.

For the first half, BPM segment margin was INR 30.6 crores with a margin of approximately 13.8%. The improvement reflects the rising share of international revenues due to actions in the domestic BPM, pricing initiatives and operating efficiencies.

In the Tech & Digital, quarter 2 segment margin was INR18.3 crores, which winding strong segment margin of 43.9%. For the first half, segment profit stood at INR35.7 crores with the segment margin remaining healthy at approximately 43.4%. This performance was supported by higher volumes, a favourable international mix and operating leverage from our technology platform.

Now coming to the bottom line. PAT for quarter 2 2027 stood at INR26.6 crores, increasing by 50.9% year-on-year basis and 46.7% sequentially. PAT margin expanded to 17.3% compared to 12% in the quarter 2 of last year and 12.1% in the quarter 1 of 2027. For the first half, PAT increased 37.5% on a year-on-year basis to INR44.7 crores compared to INR32.5 crores in H1 of financial year 2026. PAT margin improved to 14.7% from 11.2% in the corresponding period last year, an expansion of approximately 350 basis points.

Coming to the cash generation, the cash generation in the organization remains healthy. Operating cash flow for the quarter was INR37.1 crores, translating to an OCF-to-EBITDA conversion of approximately 80%. For the first half, operating cash flow increased 31.3% on a year-on-year basis to INR70.2 crores. This conversion remains healthy around the same 80.1% of EBITDA.

DSO improved by 3 days on a year-on-year basis, reflecting our continued focus on collections, receivable aging and the working capital discipline. Cash and liquid funds stood at INR127.2 crores at the end of September 2026. The sequential reduction largely reflects the dividend paid during the quarter, while the underlying business continued to generate healthy cash flows.

Now, to conclude, quarter 2 was a quarter of profitable growth, although reported revenue continues to reflect the planned reduction in the domestic BPM business. International BPM and the Tech & Digital delivered healthy growth. The improvement in revenue quality, operating efficiency and business mix drove EBITDA growth to be significantly faster than the revenue alongside strong PAT growth and healthy cash conversion.

With that, I conclude the financial highlights and hand the session back to the moderator for the question and answer session.

Moderator: Thank you very much. The first question is from the line of Harsh Kundnani from Aionios Alpha. Please go ahead.

Harsh Kundnani: And congratulations to the team for an excellent set of numbers. Just a couple of small questions. So employee cost in this quarter, just wanted to understand the divergence between the head count and employee costs because this quarter, we have seen a sharp reduction in employee cost by about 7% sequentially whereas employee head count has not gone down by a commensurate number. So just wanted to understand the divergence between the two?

Manish Agarwal: Thank you, Harsh, Manish here. I'll take this question. You are right, our employee cost reflects a reduction of about INR5 crores on a quarter-on-quarter basis, while the headline decrease in the employee count is not visible to that extent. There are a couple of reasonsof this - One is the operating efficiencies through lower replacement cost of the resources.

We have been very clear as to what rate we need to hire the new resources and that is leading to the savings while you don't see the corresponding degrowth in the headcount. The second is the location mix that has also been a factor here, wherein we have significantly optimized our resources in Manila location, which is a high-cost territory for us.. The third key aspect is the retiral benefits valuations. as we continue to optimize the resources..

There has been some true-up benefit on account of that as well. And fourth, as we continue to optimize our resources, we will see the full impact of the reduction in the resource headcount happening in the quarter 3 because the reduction started in the mid of quarter 2. So you will see the full impact of the reduction coming in the quarter 3.

Harsh Kundnani: Understood. This is helpful. So just wanted to understand how should we just understand the head count and employee costs going forward in the next few quarters?

Manish Agarwal: Yes. So firsthank you for the question. We continue to leverage the operating benefit that we have and we continue to see right resource deployment for our accounts. As Nat highlighted, we are de-prioritizing our domestic business and could improve on the international business. We will continue to see a reduction in the head count as we progress and our ratio of employee cost to revenue should continue to drop as we move forward. That is what we are expecting.

Harsh Kundnani: That is helpful. So the second question is in the BPM business, we were doing some form of rationalization in the domestic business. So is that initiative done? Or there's some portion of rationalization left even now?

Natarajan Laxsmanan: I'll take that question, Harsh. This is Nat here. So this is an ongoing exercise as of now, we have taken a decision with a couple of large clients that we have. And this is something which will continue to grow. But as we see the percentage of domestic BPM revenue is coming down, and it's a strategic decision not to expand here into newer clients, but we'll continue to hold our existing clients as long as that is something which is profitable from a margin perspective.

So to give you a very simple short answer, this will be a continuous exercise as we move forward until we completely eliminate the BPM domestic business out of our books, but it's not an intentional strategy to completely exit as long as they remain profitable.

Harsh Kundnani: This is helpful. Just 1 follow-up out here -- where do we -- what could be the margin in international business? Or the other way to put it is that how much of uptick can we see in BPM margins because of this exit of the domestic business?

Manish Agarwal: Yes. I can answer. We will continue to see upliftment in the overall BPM business margin as we progress and do away with this domestic business. Now, how much is the quantum that depends upon various factors as to what is going to be the timing of reduction in the domestic business, because this is an exercise that we have been continuously doing. But on a headline number basis, the margin should continue to improve in the BPM that is what guidance we have.

Moderator: The next question is from the line of Raghuram from Eurindia Ventures.

Raghuram: Very, very informative investor presentation. I think you've added a number of data points, which is very helpful to understand how the business is really evolving and growing. So if you can just help us, I just took off will take off from where Harsh left in terms of focus, obviously, on the CXM business. You have brought in a number of case studies where you have given more details about what we do, how we impact the outcomes of each customer. If you can just please help us with what is the growth looking -- going forward looking like and from each of these large customers basis. That would also help us in understanding how the international business.

I can clearly see that the international business is growing like what Manish also put. It's nearly growing 13%, 14% year-on-year. So the headline business of headline numbers of saying 4.1% growth is maybe a bit misleading. So if you can please help us understand how this 14%, 15% kind of growth that BPM is already displaying, how that will go forward in the next 3 to 4 years?

Moderator: Sorry to interrupt the management line has been disconnected. Give me a moment, while I have the management back online again. Thank you for your patience. We have the management line back in the conference. Sir, please go ahead.

Natarajan Laxsmanan: Thanks, Raghu. I think we lost you when you were talking about your question.

Raghuram: Yes. I will just reiterate the key points. I was just saying that the international business, if you can please give us some more color on this. One can see that it has grown much faster than the 4.1% that is the headline number has grown maybe more than 13%, 14% year-on-year. You have also given us a lot more detail and color on the kind of customer-wise outcomes that you -- that Alldigi helps and how deep you are incorporated into each customer. If you can help us understand how this is looking over the next 3 to 4 quarters, that would be a very, very useful way to understand the evolution of Alldigi.

Natarajan Laxsmanan: Sure, Raghu. Thank you. I'll take that question. This is Nat here. So, from a strategic perspective, our concentration on the BPM business is to expand into the International forum. And our sales teams have also strengthened according to that. While U.S. was always a presence, now we've revamped the team, and we have people from a BPM background to coming into leadership positions. We've added more sales executives from a U.S. perspective. And we also forayed into Southeast Asia with dedicated sales sources. So strategically, we are looking towards moving more in terms of the international revenue, while bringing in a little bit of the Asia mix as well.

In terms of the business as such, we are moving towards a business where it is completely embedded with technology, while traditionally, it has been a manpower-based back office or a contact center kind of business. Now we are moving towards how we can bring in technology into all aspects of it.

While we've been using technology and AI for the past few quarters, it has been predominantly at a partner AI solution that we brought in to use on a ready-made basis. But now the case studies that we see on the investor deck, these are deeper that we are getting into operations on how we can make it more efficient, reduce the manual efforts and also bring in, so AI helps us from a cost perspective, a customer experience perspective and operational efficiency and accuracy.

So we are doing this at an account level, 1 by 1 and again, as a domain perspective, we said we'll be looking at international collections. We'll be looking at health care RCM and we'll be looking at insurance BPO. And now we've added a new service, which is the assisted captive or build-operate-transfer at this call.

So one of our -- we've started with one of our clients. and it is already in progress as we speak today, it's relationship over 1,000 FTEs, which is expected to grow at least by another 2 or 3x. So that's a new service plan that we've added, and we are bringing in AI here as well in terms of our recruitment, training and why we do this. This is something which will reflect into the operations of BPM.

There are inside our operations also in terms of why these are customer facing inside our operations in terms of hiring, training time lines continuous training, quality monitoring, all of these things have been infused by technology.

So if I have to sum it up, we are looking at a technology-led services that gives benefit to all the stakeholders including Alldigi, my end customer, my clients and Alldigi as well. So moving forward, we will expand into international business, but that will be a technology-based service assisted by the payments. So that's the strategy.

Raghuram: Okay. Very, very helpful, Nat. So this will result in what kind of an acceleration of the growth? Is that something that we have some kind of some kind of an understanding at the moment? Or is it too early to maybe expand on that?

Natarajan Laxsmanan: See, the technological embedding and AI infusion is not going to immediately help us in terms of growth percentage. However, it puts us on par with competition in terms of the market. So when we go into a potential client today or an existing client, we are on par with competition in terms of where we stand in terms of adoption of technology and all of the features that is available using technology.

The growth will continue to depend on the sales which, again, is an initiative that we have taken in terms of strengthening our sales strength, so our -- sales team. And so the growth is more related towards how much more we sell but the technological and the strategical change in terms of how we operate, puts us at attractive and on par with the competition in the market.

Raghuram: Okay. Okay. So just a last follow-up question on that. So you guys have also announced significant ACVs, both on the EXM and CXM businesses. So that is clearly pointing to a very significantly higher number than what it was last year. So from that perspective, that's -- how does the remaining part of this financial year and early part of next year looking like?

Natarajan Laxsmanan: Yes. You are right. It's a good observation, Raghu. Yes, our sales has been much higher compared to the previous years. In terms of revenue projections, there are multiple factors that come into picture, while we booked, and this is a contract that is assured with us. The revenues coming in will depend on the implementation and the go live and there are factors that depends on the client. So it will be not appropriate to give you guidance in terms of what the next few quarters will look like.

But our endeavor is to look at how quickly we can bring in this revenue. So it looks positive in terms of how we can start. And traditionally, what we've seen is the BPM, once it starts, the revenue starts coming in better, we should be able to complete the overall ramp-up within about 3 to 4 months. But the T&D sector is a little different. It takes a longer incubation time because there are multiple other factors and technology that the client is using is also coming into picture.

So to give you a short or a simple answer, this is something which depends on the client and how quickly that we can start the implementation, close the implementation. Traditionally, what we have seen is the activation time is much faster for the BPM side and the T&D side typically takes a little longer. But these are revenues that will definitely come into our company. So it's a matter of whether it is another 2 or 3 quarters or 4 quarters.

Raghuram: Very creditable performance by your team. Many congratulations and all the best going forward.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, firstly, I wanted to understand on our payroll processing business. The Tech & Digital that in digital. Sir, if I look at the payroll process between FY '21 to FY '26, we've almost doubled from INR95 lakhs to INR1.9 crores, but our revenue per employee has declined from INR105 to INR81. And in the same time, our international revenue has grown, I think, by 2 or 3x between the same period. Sir, so how much further price cutting or price erosion can we expect in this market? And if you can help us understand on the competitive intensity for -- when we are pitching to the new clients currently?

Natarajan Laxsmanan: Sure, Madhu, thanks for the question. See, payroll as a business, when you look at it in terms of an individual transaction pricing, that depends on multiple combinations in terms of what's the service and the technology that we use. And also payroll from a customer's perspective, once they have been -- it's a sticky business still tend to stick with us for a longer period of time.

And when you look at a longer period of time, there are efficiencies that we developed, partly because of the operational efficiencies and partly because of the improvement in the technological interventions that we bring in. So in certain cases, once we are there and there is an efficiency that we've built, there is a gain share that the client expects -- so the price point tends to go down.

So from a market perspective, we always keep ourselves competitive within the market range and that is where we keep working on our technology front and bringing from a market perspective, how competitive we are. Price point also, while there are certain services that we sell at a premium, but if it is a plain vanilla payroll, depending on the client complexity, the price will be within the market range. Do you want to add?

Madhur Rathi: Got it. So would it be fair to assume that this will be closer to that because of these efficiencies, clients are asking us to pass on some of the benefits to them?

Natarajan Laxsmanan: Yes, there is always a gain share, Madhu. When you look at an efficiency, this is not -- it's a very transparent operations when it comes to the payroll processing from a client perspective. So the client teams are actively involved. They're aware of our efforts and they're aware of our technology. And also once the operation stabilizes, it becomes a simple straightforward process in most of the cases. So in those cases, there are certain efficiencies that the in terms of the transaction pricing.

But at the same time, there are more opportunities in terms of the other services. Now with our latest products, we can start pouring into the HCM part, while we always had HCM, now in terms of a SaaS platform, the analytics platform. So constantly, the business endeavor would be to look at how we can sell more services rather than looking at trying to maintain the price point or increase the price point of the existing transaction business.

Madhur Rathi: Understood. Sir, we've been trying to add on new modules or we have been trying to improve our product, I think, over add new modules or increase some features in our product. I think since the time I'm tracking your business? And also I think in AGM, we mentioned that we've done partnerships with other SaaS companies like Workday and TaxSpanner. So how should we look at revenue per client or revenue extraction per client by Alldigi going forward?

And a short question would be, sir, there has been -- I think, talks about integration of national pension scheme to the payroll and HR platform. So how does this opportunity translate to Alldigi, if you can help us understand.

Natarajan Laxsmanan: Sure. I'll start with the question on the platform, Madhu, on the -- sorry, on the partnerships. So you spoke about Workday and TaxSpanner. So TaxSpanner is already live. However, we were bit late in terms of the previous financial year. So it was just early lukewarm response that we had last year. But this year, we should be able to capitalize on it. Given that I have close to about more than 10 to 12 lakh employee records in India.

We will try and target in terms of how many employees can use TaxSpanner in terms of the IT returns that they can file. So I don't have a guidance specifically of what is the revenue. But as such, it is a complementary services that we add, which is noncompeting with us.

So it enhances the product attraction and also we give discount to the employees, if they choose Alldigi as a channel partner in terms of approaching TaxSpanner. So we'll be able to comment on what would be the revenues that we'll see after the Q4 of this year on the TaxSpanner part. But currently, we are looking at international incomes that they have, if there are employees who fall into that category that they can declare using TaxSpanner. So we're constantly looking at

how many more services that complement our services that we can add using TaxSpanner, but it is an established partnership that we have, which is already live as of last year on TaxSpanner.

On Workday, we already have the silver certification. We are currently undergoing the design batch. So the design batch is something which should be completed by mid of November. Once we do that, again, there are 2 aspects in terms of revenue that we need to look at from a Workday certification.

One is any of my existing clients or a newer client in the market who is using Workday as an HRIS. We have become very attractive in terms of positiveness because we already have a certified connection that we can use, which means it is going to reduce my onboarding time, and also, it is going to increase my efficiency in terms of onboarding costs.

One of the alternative revenue streams that we can look at is in case if there are customers who have Workday as an HRIS, but for any reason they choose to use another payroll platform, they're only looking at basically a connector building as a service, that's something which we can look at. Currently, we haven't entered into a sales initiative on that particular aspect, we'll wait for the certification to get over.

I have about 4 clients who are with me currently who are in the pipeline to get Workday Connectors implemented. Based on that success rate, we look at if we can foray into only doing the connections part as well. Currently, workday is more a complementary service that I have, which makes you more competitive in the market and also it reduces the cost, which will be on a gain share basis between the customers and Alldigi Tech. So that's on the platforms.

Madhur Rathi: Sir, just -- sir, so with All these initiatives, sir, what would be the fair assumption of growing our Tech & Digital business maybe over the next 3 years? And sir, on the NPS integration with these Workday -- these HR payroll and payroll processing platform, sir, do we think that can this become like a 401(k) account in the U.S.? Or how should I look at this integration? Or is it just an ideation stage right now and it might be time before something actually translates to a revenue for us?

Natarajan Laxsmanan: Okay. So see, in terms of the growth rate, if you ask for the next 3 years term, again, we should look at an early double-digit growth, specifically as a T&D as a segment. That's the guidance or the strategy that we are working towards. All of the initiatives that we've taken from building our products, the partnership ecosystem, the sales engine, the marketing aspects is something which is directed towards that.

In terms of your NPS integration, it's too early to say how the response is going to be. The 401(k) comparison to U.S. would not be an apple-to-apple comparison because that has been a very long existing process, and it is at a different scale. So if you ask me 401(k) benefit is an entire industry and the service by itself in the U.S., maybe NPS can go there, but it is too early to comment. We'll have to see the fine print in terms of how this needs to be implemented and what is going to be the adoption from an Indian employees' perspective.

Madhur Rathi: Okay, sir. Sir, just 1 question, rather bookkeeping question. Sir, if I look at our ROU asset they have increased from, I think, INR50 crores, INR60 crores to closer to INR140 crores, INR150

crores right now. So I understand that we have taken new offices. So what kind of lease liability payments do we expect on an annual basis for FY '27 and FY '28 if you can help me understand?

Manish Agarwal: Yes. we are not expecting that mix can increase the lease payments as we move forward. Why the ROU has increased is because we have replaced the old office with the new office, new office comes with the longer date of commitment, and therefore you see that lease liabilities are increasing..

Madhur Rathi: So we paid close to INR35 crores in FY '26. Is that fair base to date for FY '27 as well?

Manish Agarwal: I think that would be the fair base. It can actually come down as we continue to optimize in terms of resources, etc. However, having said this, it all depends as to what is the kind of new business that we get and how many new lease we may have to take to support growth. But the current guidance is, whatever current lease that we have, we're going to be in the same range.

Moderator: As there are no further questions from the participants -- the next question is from the line of Simran Thakkar from Beas Capital Limited. Please go ahead.

Simran Thakkar: So my question is on the stand-alone receivables, which rose around 46% in 6 months.

Natarajan Laxsmanan: Sorry, we cannot hear you clearly.

Moderator: Ma'am, could you please repeat your question?

Simran Thakkar: Yes, sure. My question goes like this. On the stand-alone receivables, which rose to close to 46% in 6 months. So could you please throw some light on this particular thing?

Manish Agarwal: Yes. So our receivables continue to be improving because if you see our DSOs have also reduced as compared to last quarter. As we continue to priotize receiving money on time and continue to review our contracts as to how we can make the overall DSOs reduced. Any changes, for example, at a stand-alone basis, isa matter of timing. But at overall level, we continue to reduce our DSOs as we progress.

Simran Thakkar: I understand, sir. Sir, I also wanted to understand on the segment results, which are totaling to INR35.8 crores, while our reported EBITDA is around INR46 crores. So am I missing on something over here, not able to connect the dots?

Manish Agarwal: Can you come again, please?

Simran Thakkar: Yes, sure. So segment results, both the tech digital and your BPM consolidated stood INR35.8 crores adds up to INR35.8 crores while our reported EBITDA comes to INR46.3 crores. So what's the bridge over here? Is it something unallocated corporate cost or some additional?

Manish Agarwal: You're absolutely right. The segment margins are not the EBITDA. The segment margins are representing the margins that are reported PBT before finance costs, depreciation and other unallocated costs. I don't think there is a clear comparison that we can drive between the EBITDA and the reported margin.

Simran Thakkar: Understand. Right. Also last question on the ACV and revenue that you mentioned of INR37.2 -odd crores. So which are largely led by the large -- 2 large deal wins. So could you just detail out what are the deals like? And how long are the contracts when does the revenue start coming in on to the P&L? And what would be the margins like?

Natarajan Laxsmanan: Yes. So I'll take that question. 37.2 Cr is a combination of my BPM and Tech & Digital. On the Tech & Digital, I have 1 deal, which is basically a Europe client that we look at, which is about close to INR7 crores. This is a multiyear contract, which is on auto renewal because and T&D typically works that way doesn't have periods that we look at. And here, it's the segment margins that we follow.

So typically, we'll be looking at somewhere about a 60% plus gross margin on this deal. On the other deal that's about close to -- yes, so the other 1 is about INR16.8 crores which is basically the BOT model that we looked at. From a BOT model, the current contractual time line that we have is about 2 quarters. But as I said, this has a potential to grow because there the ultimate aim is to look at about 4x the current commitment that they have given to us.

As we speak, constantly, we are in touch with them, and the numbers are increasing on a day-by-day basis. So this period, you can consider to be less than a year, but this is huge numbers to the tune of about 3,000 to 4,000 FTEs that we are talking about.

Moderator: We have the next follow-up question from the line of Raghuram from Eurindia Ventures.

Raghuram: Nat, I just wanted to clarify on the question that the previous person also had. There is a significant increase in the trade receivables. If you look at even from a consolidated number wise, it was at about INR69 crores during -- at the end of March, whereas it has nearly gone up to about INR80 crores or -- at the end of September.

One can clearly see that this is a result of the business acceleration because you have very clearly mentioned that the number of days receivables has also commensurately gone down from 77 to 74. So if you can help us with what kind of a run rate did we exit Q2 with? That will help us reconcile this increase in trade receivables.

Manish Agarwal: Yes. the trade receivable here what you see were billed receivables. And there is also a factor of the accrual wherein while you have delivered the services, you are not supposed to bill because there are contractual obligations and the milestone before you can bill.

So the data also reflects the higher unbilled in the quarter 4 of 2026 versus the quarter 2 of 2027 as we have been completing those projects and getting them billed.. Otherwise, from the operational perspective, our receivables are fully under control. In fact, our DSO days are going to decrease further as we progress.

Raghuram: Yes, Manish, I was coming from that perspective only. Clearly, the receivable days are -- we are not doubting any of those kind of things. But I was just coming from more a perspective of what kind of a business or run rate growth has the business been in the last couple of months of the quarter?

Because if that is the case, then obviously, your business, the DSO days would have been anywhere lower. But because the business has accelerated in the last 1 or 2 months of the quarter, then obviously, the trade receivables will be slightly higher. That was the thing from where I was coming. So it's fine. We will have this typically a lead indicator of a business which is accelerating.

Manish Agarwal: Yes, Raghu, you are absolutely right, both the factors are showing acceleration in the business, which of course, leads to higher receivables. The second point is also what I talked about converting whatever unbilled as billed and therefore more receivables and we continue to receive those as we progress. Because the way we report our DSOs is billed plus unbilled together.

Moderator: Thank you. As there are no further questions from the participants. I now hand the conference over to Mr. Natarajan Laxsmanan for closing comments.

Natarajan Laxsmanan: Thank you, everyone, for your time and participation today. We are encouraged by our Q2 performance and the progress we've made across our key business and strategic priorities. With continued investments in our core business, international sales capability, AI and technology platform we believe we are well positioned to capture future growth opportunities.

Our focus remains on delivering sustainable growth, strong operational performance and long-term value for our shareholders. I'd like to thank our customers for their continued trust, our employees for their commitment and our shareholders for their continued support. Thank you, once again. We look forward to speaking with you again next half. Thank you.

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