Redefining Business Services

November 06, 2026

To:	To:
BSE Limited (BSE) **Corporate Relationship Department** **Phiroze Jeejeebhoy Towers,** **25th Floor, Dalal Street,** **Mumbai - 400001** **BSE Scrip Code: 543996**	**National Stock Exchange of India Limited (NSE)** **Listing Department** **Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai — 400051** **NSE Code: UDS**

Dear Sir/Madam,

Sub: Transcript of the Earnings Call for the Quarter and Half Year Ended September 30, 2026.

This is further to our letter dated November 02, 2026, whereby the company submitted the link to the Audio Recording of the Earnings Call for the Quarter and Half year ended September 30, 2026.

Pursuant to Regulation 30 (6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the transcripts of the said Earnings Call held on November 02, 2026, is enclosed as Annexure.

You are requested to kindly take the above on record.

Yours faithfully,

For Updater Services Limited

SANDHYA

Digitally signed by SANDHYA
Date: 2026.11.06 18:08:46 +05'30'

Sandhya Saravanan
Company Secretary and Compliance Officer
A66942

“Updater Services Limited

Q2 and H1 FY27 Earnings Conference Call”

November 02, 2026

MANAGEMENT: **MR. RAGHUNANDANA TANGIRALA – PROMOTOR, CHAIRMAN AND MANAGING DIRECTOR – UPDATER SERVICES LIMITED**
MR. AMITABH JAIPURIA – SENIOR EXECUTIVE DIRECTOR – UPDATER SERVICES LIMITED
MRS. ELIZABETH JACOB – FOUNDER AND CHIEF EXECUTIVE OFFICER – ATHENA BPO PVT LTD
MR. SUNIL MUNSHI – CHIEF EXECUTIVE OFFICER – DENAVE INDIA PVT LTD
MS. RAM PRAVEEN R– CHIEF FINANCIAL OFFICER – UPDATER SERVICES LIMITED
SGA, INVESTOR RELATIONS ADVISOR – UPDATER SERVICES LIMITED

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 2nd November 2026 will prevail.

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 Earnings Conference Call for Updater Services Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and may involve risks and uncertainties that are difficult to predict. Should you need assistance during the call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raghunandana Tangirala, Promoter and CMD of Updater Services Limited. Thank you, and over to you, sir.

Raghunandana Tangirala: Yes. Thank you. Good afternoon, and warm welcome to Updater Services Limited Q2 and H1 FY27 earnings. Joining me today are Amitabh Jaipuria, our Senior Executive Director; Mr. Ram Praveen, our Chief Financial Officer; Mrs. Elizabeth Jacob, Founder and CEO of Athena; Mr. Sunil Munshi, CEO of Denave; and our Investor Relations Advisor, SGA.

I hope you've all had the chance to review our investor presentation and results, which are also available on the exchange and our website. Let me start with the headline numbers for Q2 FY27 Consolidated revenue from operations grew by 11% year-on-year to INR812 crores. EBITDA grew by 37% to INR43 crores, with the margin improving by 100 basis points to 5.3%.. Profit after tax grew 62% to INR32 crores.

Before I turn to the industry and the business, I would like to share a few developments from the quarter that reflects how we are strengthening our operations. First, to strengthen execution in our IFM business, we have appointed Rajeev Bhardwaj as the Chief Operating Officer.

Rajeev comes with a very strong credentials with decades of industry experience. The appointment allows us to separate day-to-day operations management from new business development so that each gets a dedicated leadership focus.

Second, as part of our succession planning, Mrs. Jigyasa Sharma, Executive Director on the UDS Board, has been appointed as CEO-Designate for our subsidiary Matrix from 1 April, 2027. She will take over as CEO from the current CEO, Mr. Ravi, who is due to retire. Ravi will continue to be associated with Matrix in a new capacity.

Third, as part of our ongoing efforts to simplify the group structure, Denave has initiated closure of 2 small step-down subsidiaries, Denave Europe and Denave Korea. This is not expected to have any material financial impact and it reduces organization complexity and management overheads.

Fourth, in September, ICRA reaffirmed our long-term rating as AA- with a stable outlook and short-term rating as A1+. This reflects our strength of our balance sheet and our net cash position.

Let me now turn to the broader industry environment. India's office market continued to be strong with absorption in the first 9 months of the calendar year 2026, reaching a record 66 million square feet. Global Capability Centers remain a key driver of this demand, accounting for a record about 28 million square feet of leasing in the same period.

As enterprises expand their office footprint, the need for reliable housekeeping, engineering maintenance, workplace management and integrated facility management increases. This is encouraging for organized IFM providers such as UDS.

At the same time, the market is becoming more selective. Customers are increasingly focused on operational efficiency, measurable service outcomes, compliance and value for money. The labor codes now in their first year of implementation have raised the compliance bar for for every enterprise that engage contract workers. We believe this favors companies that combine execution capabilities, technology, standardized processes and strong governance. And this is how UDS has operated from the beginning.

Turning to employment trends. The demand environment remains mixed. White collar hiring growth moderated to about, 2% year-on-year in September after a strong August. Hiring in BPO, IT-enabled services and GCCs grew by about 4%, while traditional IT and software services remain subdued. In BSS, these hiring cycles and enterprise spending patterns influence demand for background verification and certain sales enablement services.

In IFM, rising commercial activity and industrial expansion continue to support demand for our outsourced facility services. Industry expansion is something of particular interest for UDS, given our strength in this space. Against this backdrop, our focus remains on building resilience across our portfolio, improving the quality of our revenues and ensuring that growth translates into sustainable profitability. Now, let me take you through our IFM division. We added 7 new significant logos in Q2, taking large logo additions for the first half to 13. This is across manufacturing, commercial real estate and health care.

Q2 FY27 IFM revenue from operations grew 11% year-year to INR560 crores compared with INR503 crores in Q2 FY26. For H1 FY'27, IFM revenues stood at about INR1,084 crores, up 11% year-on-year. IFM EBITDA for the quarter was about INR24 crores with a margin of 4.2% compared to 3.8% in Q2 FY26.

Growth during the quarter was driven by 3 factors: new client addition across diversified industry, higher volume from large sized contracts that have now moved past their ramp-up phase and deeper wallet share within existing marquee clients.

The upfront employee cost we carried on these contracts a year ago have largely normalized, and this is visible in the year-on-year margin improvement. Industrial and manufacturing customers remain our largest market, together accounting for about 1/3 of the IFM - IFM revenues.

We also see good opportunities across commercial real estate, health care, logistics and commercial facilities. Our client relationships remain long-standing, with about 95% retention over a multi-year window. The leadership change I mentioned earlier is designed specifically for this business, with Rajeev overseeing operations and Saravanan, who was earlier our COO, is to focus on growth.

We now have a dedicated attention on both operations and service delivery as well as client acquisition. Technology remains central to how we run IFM. We continue to deploy digital workforce platforms, AI-enabled workforce management and predictive maintenance tools across client sites. These help us optimize manpower deployment, improve service quality and project margins. Our priorities for the rest of the year remain unchanged from what we had mentioned earlier.

We aim to improve client-level profitability, shift the mix towards higher-margin technical services such as MEP, energy management and technical AMCs, and continue to win integrated outcome-linked mandates. We remain confident of delivering healthy growth in IFM, supported by increasing outsourcing penetration and opportunities across industries, manufacturing, infrastructure and commercial real estate.

Turning to Global Flight Handling. The aviation environment was softer this quarter. Domestic passenger traffic witnessed a year-on-year decline in July, August, primarily due to airline capacity adjustments, continued disruption arising from the West Asian airspace restrictions..

We also continue to build this higher value side of this business through Global School of Aviation, including security training and regulatory certification programs. These revenue streams are less sensitive to short-term air traffic cycles. With the festive and winter travel season ahead, we expect activity to improve in the second half, though the operating environment in aviation remains uncertain.

Moving to Avon. The core mailroom management business and integrated support service business, continued to be on its growth path, with revenue growing 4% year-on-year in Q2. Avon is steadily increasing the share of higher-margin value-added services, including enterprise transport and workplace support solutions, which we expect to improve, both revenue quality and profitability through FY27. The past issues is also moving forward, a partial resolution with the possibility of some recoveries.

I would now like to hand over this call to Mr. Amitabh for an update on our BSS business.

Amitabh Jaipuria: Thank you, Raghu, and good afternoon, everyone. I will give you a brief overview of the BSS segment and then hand over to Elizabeth Jacob for Athena, followed by Sunil Munshi for Denave, and then I'll come back for a small update on our Matrix subsidiary and that particular business.

The simplification of our BSS structure with Denave, Athena and Matrix now reporting directly to the senior leadership team is beginning to show results. Over the past 2 quarters, we have seen faster decisions, tighter cost control and clearer accountability for outcomes in each business.

The objective is to build businesses that are more agile, more technology-enabled, more customer-focused and better positioned to deliver sustainable profitability.

The closure of Denave's European and Korean step-down entities is also a part of the same simplification effort. We have also simplified Denave's internal operating and leadership structures.

We added 4 new significant logos in BSS during the quarter. BSS revenue from operations for Q2 FY27 stood at INR267 crores compared with INR240 crores in Q2 FY26, which is a growth of 11%. EBITDA for the segment was about INR21 crores, more than 62% higher than last year, with margin improving from 5.3% to 7.7%.

For the first half, BSS revenue was at INR520 crores, up 9% year-on-year with EBITDA of about INR40 crores, a growth of 36.4 %. The margin percentage also improved to about 7.6% compared with 6% in H1 FY26. I want to highlight that the margin improvement has come alongside growth and not at the cost of it.

Every one of our BSS businesses contributed to this, whether through new client wins, better delivery or lower cost to serve. Sales enablement through Denave and Athena is now about 3/4 of the total BSS revenue, with the balance coming from Matrix, Avon and Global.

By sector; IT, IT-enabled services contribute to about 31% of BSS revenue and BFSI about 12%, with the rest spread across many other segments such as retail, consumer, manufacturing, aviation and other industries. This spread matters because the demand drivers for each business are different.

And when one end market slows down as traditional IT hiring has, for example, the others give us balance. The common thread across our BSS businesses remains technology-led transformation. Clients are no longer buying headcount, they are increasingly buying outcomes, productivity and measurable return on their investments.

Our investments in AI platforms, agentic AI solutions and automation are aimed squarely at that shift, and we are slowly seeing them translate into wins and better unit economics. Our focus remains on ensuring that revenue growth is accompanied by an improvement in profitability. We are continuing to simplify processes, optimize costs, improve business productivity and deploy technology more effectively across our operating companies.

While headwinds do continue in some of our BSS businesses and margin percentages may see some impact in the second half of the year, overall, we expect the BSS segment to deliver good results for the year as compared to the last year and build on the foundations of the first half of this year.

With that, I will hand over to Elizabeth. Elizabeth, over to you for Athena.

Elizabeth Jacob: Thank you, Amitabh. Good afternoon, everyone. I'm pleased to share Athena's progress during the second quarter of financial year '27. The customer engagement industry continues to evolve with experimentation around AI. Enterprises no longer evaluate engagement partners on cost

alone. They are increasingly prioritizing customer experience, speed of response, conversion rates and measurable business outcomes. This is where Athena is focusing its capabilities, along with its own pilots and experiments around AI.

For Q2 FY27, Athena reported revenue of INR29 crores, with EBITDA of INR5.5 crores and an EBITDA margin of 19%. PAT was INR3 crores, up 25% year-on-year. Performance for the quarter was in line with our internal plans and margins were sustained with an upward trend.

We had no client losses during the quarter, which is important after the client attrition we went through in the earlier years due to their own restructuring. The quarter also benefited from the 2 new client contracts that started in July, each with an initial tenure of 2 years. Together, these mark a cautious return to growth for Athena. We've also signed 2 new clients in the BFSI sector in October. These will ramp up gradually and start contributing to revenue from the upcoming quarter.

On agentic AI, our efforts are now slowly translating into revenue. Both of our agentic AI deployments are live and generating revenue, the first for a BFSI company supports outbound lead generation, the second for an industrial company runs service campaigns that capture customer feedback on its offerings.

Together, they show that our agentic AI solutions can be used across different industries and use cases. Both deployments come out of a proof-of-concept pilots that we had completed last year and moving them into paid live programs within a few months is an important reaffirmation of our work in this space. We are also working with several existing clients to expand adoption of our AI-based solutions.

These programs typically take 2 or 3 months to get approved and our pipeline gives us confidence that they will translate into meaningful business over the coming quarters. For us, agentic AI is not a replacement for our core services, but in addition to them. It allows us to offer clients a blended model where AI handles high-volume, repetitive interactions and our team focuses on conversations that need human judgment. It is also allowing us to tap into markets that we were absent from earlier, such as service calls. Diversification beyond BFSI remains a strategic priority.

We continue to build our presence in real estate, retail, consumer products, manufacturing and other imerging sectors. This broadens our addressable market and reduces concentration risk. BFSI concentration has already come down from 85% in financial year '25 to 80% in financial year '26, and the new sector wins will help us contribute that trend even as BFSI remains as an important and profitable part of our business.

At the same time, demand for omnichannel engagement across voice, e-mail, track and messaging continues to grow, and our technology-led delivery model positions us well to capture it. Looking ahead, we are on track to deliver on our plans for the year. We will stay focused on converting our pipeline, ramping up our new clients, expanding into newer industries and building AI into more of our service delivery. Thank you.

And I will now hand over to Sunil Munshi, CEO of Denave. Sunil, over to you.

Sunil Munshi: Thank you, Elizabeth, and good afternoon, everyone. I'm pleased to share Denave's performance for second quarter of FY27. While enterprises, especially in technology and IT firms remain circumspect in their discretionary spending, however, we see that they are increasingly linking sales and marketing budgets to measurable outcomes such as qualified pipelines, sales conversions, revenues, so and so forth. This plays to Denave's strength, especially as a technology-enabled revenue execution partner.

For Q2 FY27, Denave reported revenue of INR175 crores, up 17% Y-o-Y. EBITDA stood at INR10 crores, up 110% year-on-year, with an EBITDA margin of 5.6% compared with 3.2% in Q2 FY26. PAT stood at INR8.5 crores, up 160% Y-o-Y. Growth in the quarter came from both Demand Gen and field marketing services.

In Q1, we had flagged margin pressures in Demand Gen. In Q2, that business has done better because much of our Demand Gen service revenues is tied to client outcomes, better delivery supported by our AI tools, earned us higher outcome-linked incomes.

The Demand Gen business continues to face headwinds and uncertainty, but we are positioning ourselves for long-term success. Field marketing services at the same time kept growing steadily. Our technology services did well and continued cost discipline has supported the margin growth. Field marketing services continued to gain wider acceptance among clients, reflecting growing demand for integrated sales and marketing solutions.

As we discussed in Q1, this business operates at lower margins than Demand Gen, but however, it brings us recurring engagements, deepens our relationships with large enterprise clients and give us more opportunities to cross-sell our digital and other Demand Gen offerings.

Intellibank, our proprietary AI-led sales intelligence platform is central to all this. It brings intent, enterprise technology and engagement data together into one view of each target account so that sales teams can focus on the accounts which are most likely to convert. It maps the key decision makers within each account, recommends the next action and generates outreach content such as call scripts, personalized e-mails, sequences, so on and so forth.

This product is continuing to show promise, and we continue to invest and focus in it. We also ran several AI pilots with demand and clients and are now scaling this digital workforce model across the Demand Gen lifecycle.

In practical terms, what this means is that AI agents take on research, qualification and follow-up tasks while our people focus on high-value conversations that connects the pipelines into revenue. This improves conversion for clients and improves productivity for us. And this shift towards AI enablement, outcome-based sales engagement is structural, and Denave is getting well positioned for it.

With that, I'll hand the call back to Mr. Amitabh Jaipuria for an update on Matrix.

Amitabh Jaipuria: Thank you, Sunil. Let me give you a quick update on Matrix, which has 2 sub-segments, as we all know, employee background verification as well as audit and assurance. For Q2 FY27, Matrix reported revenues of INR32 crores, up 2% year-on-year. EBITDA stood at INR4 crores, up 31%

over the previous year. EBITDA margin came in at 12% compared to 9.4% in the comparable quarter of the previous year.

PAT was at INR2 crores, up 14% year-on-year. Profitability recovery that we reported in Q1, driven by cost discipline, process simplification and tighter vendor management has been sustained in this quarter and positions us well for the full year. EBGC revenue for the quarter grew by 15% year-on-year to INR14 crores. In EBGC, our volumes are closely linked to hiring cycles. White collar hiring was positive through the quarter, but uneven.

Hiring was strong in patches and moderated post that. Growth was concentrated in specialized roles such as AI and machine learning in GCCs and in sectors such as auto, while traditional IT services hiring remains subdued and BFSI was broadly stable. For us, BFSI hiring is important as each new hire in this sector typically requires a more comprehensive background check.

Our response to these market changes have been to build a more agile technology-enabled verification model. AI integration is helping us reduce turnaround times and cost per check, which protects margins when volumes fluctuate and positions us to scale efficiently when hiring recovers more broadly in the economy.

In audit and assurance, the large audits that were deferred from May into June and July were executed during this quarter, and we continue to see a healthy pipeline in sectors such as food, automobiles, etcetera. The BD and sales teams are now in place, and we expect to see their impact on client acquisition from this half onwards.

Alongside this, we are digitizing more of our compliance and business process services such as trade promotion management, teams processing and master data management, which makes the service more scalable and less dependent on field manpower.

I'll now hand you over to Ram Praveen, our CFO, to take you through the financial performance. Ram, over to you.

Ram Praveen R: Thank you, Amitabh, and good afternoon, everyone. I will take you through the financial highlights for Q2 and H1 FY27. Starting with the quarter, revenue from operations for Q2 FY27 grew 11% year-over-year to INR812 crores compared with INR729 crores in Q2 FY26.

The IFM segment grew 11% to INR560 crores and the BSS segment grew 11% to INR267 crores. The revenue split between IFM and BSS stood approximately 68% and 32%, broadly consistent with the previous quarters.

Consolidated EBITDA for Q2 FY27 stood at INR43.2 crores compared to INR31.6 crores in Q2 FY26, a growth of 37%. The EBITDA margin improved to 5.3% from 4.3% last year. At the segment level, IFM EBITDA margin was at 4.2%, approximately INR24 crores and BSS EBITDA margin was at 7.7%, approximately INR21 crores.

Profit before tax grew 47% to INR34.7 crores and profit after tax for the quarter was INR32.1 crores compared to INR19.8 crores in Q2 FY26, a growth of 62%. Earnings per share for the quarter stood at INR4.8 compared to INR3.0 for the last year.

Now at the consolidated level, employee benefit expenses grew 10% to INR628 crores, slower than the revenue growth and came down to 77.3% of revenue versus 78.6% in Q2 FY26. For the first half of FY27, the revenue from operations grew 10% year-over-year to INR1,577 crores compared to INR1,430 crores in H1 FY26.

IFM revenue grew 11% to INR1,084 crores and BSS segment grew 9% to INR520 crores. EBITDA for H1 stood at INR85.5 crores compared to INR70.9 crores during last year, a growth of 21%, with a margin improving to 5.4% from 5%.

Profit after tax for H1 was INR62.4 crores compared to INR48.8 crores in H1 FY26, a growth of 28%. H1 earnings per share is at INR9.3 versus INR7.3 of last year.

Moving to cash flows and balance sheet. Our net cash from - operating activities for H1 was at INR46 crores compared to INR33 crores in H1 FY26. As of September 2026, our cash and cash and cash equivalents, including mutual funds and fixed deposits is at INR404 crores and we have no long-term borrowings.

Return on capital employed is at 16.2% for H1 FY27. UDS continues to be a net cash company, with net debt to equity is negative 0.21x as of September 2026. On headcount, our total workforce stands at 77,157, with 60,152 in the IFM segment and 17,005 in the BSS segment.

We continue to progress on our finance and governance initiatives as outlined earlier this year, ensuring tighter controls, stronger FP&A capabilities and standardizing the processes across the group.

I will now hand over the call back to our Chairman and Managing Director for his concluding remarks.

Raghunandana Tangirala: Yes. Thank you, Ram. Thank you, Amitabh. Thank you, Elizabeth. And thank you, Sunil, for your updates. To summarize, H1 FY27 has been a period of consistent execution for Updater Services, with continued focus on improving business quality, strengthening operational discipline and accelerating technology-led transformation.

Q2 margins improved across both IFM and BSS, while H1 margins remained stable in IFM and improved in the BSS segment. The organizational changes undertaken over the past year are also beginning to reflect in business performance.

The opportunity remains significant, supported by recent economic activity, industrial investments, commercial leasing, implementation of labor codes and increasing outsourcing of integrated outcome-linked services. Our priorities for the remainder of FY27 remain focused on 4 areas.

First, delivering sustainable growth while maintaining discipline in customer selection and contract profitability.

Second, improving margins through operational efficiencies, better reserve utilization and greater adoption of AI automation across our businesses.

Third, strengthening governance internal control, leadership accountability across the group; and

Fourth, building scalable technology-enabled businesses that can address evolving customer requirements and create long-term competitive advantage. We continue to maintain a strong balance sheet and a net cash position, with our credit ratings reaffirmed during this quarter.

Our capital allocation approach will remain disciplined, prioritizing investments in technology and capabilities, selective value-accretive acquisitions and shareholder returns. As we enter H2, we are encouraged by new logo additions in the IFM segment, client ramp-ups in Athena, improving stability in Matrix and steady growth in other businesses.

Our focus will be on converting these opportunities into sustainable growth and consistent margin improvement. With a diversified client base and a scalable technology-enabled operations platform, we remain confident in our ability to deliver profitable growth in the coming quarters.

With this, I would like to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Sakshi Pratap from Pratap Securities.

Sakshi Pratap: I have 2 questions, sir. So, first is what are the expected EBITDA margins for us for IFM and the BSS segment for the full year? And are we being impacted due to the new labor laws?

Amitabh Jaipuria: So Raghu, may I answer that?

Raghunandana Tangirala: Please.

Amitabh Jaipuria: Yes. Okay. So, Sakshi, thank you. Thanks for your interest in UDS, and for the question. So right now, we have a total EBITDA margin for H1 of 5.4%. And we have a total EBITDA number of about INR85 crores and a PAT of about INR62 crores for the first half. You could extrapolate that.

We don't give forward-looking guidance, formal guidance. But in the last quarterly call also, we had mentioned that you could -- at that time, we had said you could multiply that by 4. We have demonstrated that, that was correct, in fact, slightly better.

So, you could multiply this by 2 now to arrive at some kind of estimate, of what the year will look like. We believe these margins are sustainable, as I had mentioned when I briefed and as Sunil also talked about, there are some headwinds that we are seeing in Denave in the global environment and in global, which is our ground handling business.

So in these 2, there are headwinds that we are foreseeing. But that would be a good estimate. To your second part of the question, which is on labor code, so the basic change that has happened during the quarter is the PF ceiling that has raised from INR15,000 to INR25,000.

For the full year, the overall impact -- if there is 0 pass-through, would have been about INR5 crores to INR6 crores, but there is substantial pass-through. So we -- at worst, it will be about

between INR1 crores to INR2 crores, which is insignificant given what we are looking at given the momentum that we have and the numbers that we have already declared for H1.

Sakshi Pratab: Got it, sir. Secondly, where are we on our acquisition, which we planned this year? So if you could throw some light on which segment are we currently targeting, approximate cost of that, etcetera?

Amitabh Jaipuria: So as we have been giving commentary, we had a target that we pursued very diligently. But on valuation, the conversation fell apart. And we did not conclude that deal because we are conservative acquirers. Right now, we are not in active conversation, but we are in active consideration of another opportunity. And we will update the markets at the right time. A deal may not happen this year, but we will update the markets at the right time.

Moderator: The next question is from Praatik Shah from Ascent Capital.

Praatik Shah: Sir, I have 2 questions. Sir, where are we on the Avon collections? And will we be recovering any of the INR23 crores?

Amitabh Jaipuria: So, we are pursuing all avenues that are there for the Avon collections of the fraud that happened. And right now, we have recovered a very small part of it and a little bit more has also been deposited in the court by the accused. So, we will update you at the right time because this is still a legal and a police process.

And as it reaches its conclusion, we expect to be able to bring that back to our P&L because as you know, we had taken the full impact being conservative accounting practice and for good governance, we have taken the entire impact. We, at that point in time, had said that collections remain uncertain.

But today, we have line of sight for at least some part of it, that we will recover some part of it. I don't want to give you a number right now, but we will see recovery in this, may not be very, very high, but we should see some recovery, yes.

Praatik Shah: Okay. Also, sir, I wanted to ask that as mentioned by you, we are seeing headwinds in global and in the Denave part. How are we looking to grow further in these 2 businesses? And has global business improved in the festive?

Amitabh Jaipuria: So as our Chairman had briefed in his speech, in global, the winter schedules have been cut by most airlines given high ATF prices as well as given the extreme disturbance in West Asia, which is where a lot of the airlines do fly. So therefore, there is a little bit of impact and uncertainty in aviation.

But the way we are trying to address that is to emphasize and to grow the other parts of that business, which is the school of aviation, which is where we train different kinds of staff that are employed in the aviation industry, including the security personnel and those kinds of things. So that is our response. While we have to maintain our operations at all airports regardless of the number of flights, but as we said, I mean, we are watching that closely.

We are trying to get larger part of the business in that airport by also talking to other airlines. So, we expect steadiness to return in the fourth quarter, but we'll be able to update better when we look at the end of the third quarter.

Praatik Shah: **Thank you sir,** Congratulations and best of luck.

Moderator: The next question is from Jay Jain from JJ Capital.

Jay Jain: Sir, my first question is our tax rates are 7.42% in Q2 lower than last year. Sir, what are the expected tax rates for the full year?

Ram Praveen R: See, the effective tax rate will largely remain in the same range because we have estimated what will be the full-year effective tax rate and accordingly have worked out for respective quarters. So, we don't see a much swing in that rate on a full-year basis.

Jay Jain: Okay. And sir, just one more from my side. How are we looking from a long-term point of view, say, 5 years from now? Where do we see UDS?

Amitabh Jaipuria: So, we have built the platform, and we expect that as we look to the future, UDS will start accelerating its growth as well as its profitability as well as its value addition. So, those are the three aspects that we are looking at. Internal efficiencies and productivity is another area where we expect to start becoming one of the strongest players in the industry.

I don't want to give you a number as such, but our growth rate of 11%, 12%, which is what we have talked about in the past should accelerate. So if that accelerates, then we will more than double. Even at the current rate, we will approximately double in around 5, 6 years. Yes.

Jay Jain: And sir, just one more. Like, what are the different parameters of growth we are looking in each businesses?

Amitabh Jaipuria: So, when you say different parameters of growth in each business since we have 9 of them, could you be slightly more specific so that we are able to give you a better answer?

Jay Jain: Sir, the major contributor to our revenue?

Amitabh Jaipuria: Yes. So UDS, of course, is the single largest and IFM, of course, is the single largest contributor in terms of revenue. And there, the same 3 parameters that we talked about and our Chairman talked about that one as well.

One continues to be new logo additions and mining and extra revenue from existing customers, which is where we are very, very good. So, that growth rate will continue. New logo acquisitions will accelerate.

The second internal productivity, we had talked about it in the past as well, where we have said that roughly 10 bps to 15 bps year-on-year improvement in margin should be possible because of this and because of improving scale and operational leverage.

The third area that we have talked about in the past as well, again, our Chairman talked about that in his opening remarks was the move towards more and more value-added services, including MEP, including engineering services, production support services and the other.

So, those are our 3 directions. WHC, which is an important part of our IFM business, also continues to grow well and that has strong margins. So, that's going to be another area of large focus for us as far as IFM is concerned, which is the largest single contributor to our growth.

Jay Jain: Noted, sir. Sir, just last thing. Sir, do we see any potential growth in the GCC in India specifically?

Amitabh Jaipuria: So, GCCs are growing gangbusters, as you know. We already have about 2,400-2,500 GCCs. People are projecting this number to double in the next 4, 5 years. So, we have an exposure to them through IPCs. Our attempt, of course, is to gain direct exposure to the GCCs also. So yes.

Moderator: The next question is from Vivek Desai from Investec.

Vivek Desai: I wanted to know a little bit in detail about why do we have a lower tax rate? And how long can we expect that to continue, I mean, the lower tax rate again to continue?

Amitabh Jaipuria: So our tax rate, as you know, in the entire industry is deeply impacted by employment creation and 80JJAA. But we benefit less than some of the others. So to that extent, our dependence on 80JJAA is not as much as some of the other industry players, especially in the staffing space. That said, employment creation remains at present, a priority for the government. And all the statements are right now pointing in the direction of accelerating efforts for employment generation and employment creation.

As long as that remains a priority, we believe that 80JJAA should continue or some form of incentive for employment generation will continue. And therefore, we should continue to benefit. However, I just want to reemphasize that our profitability is not dependent only on 80JJAA and our reliance should actually start coming down as well. But that said, our current tax rate should remain in this broad area as our CFO, Ram, just spoke about.

Moderator: That was the last question in queue. I would now like to hand the conference over to the management team for closing comments.

Raghunandana Tangirala: Yes. Okay. Thank you, all of you. Thank you all of you for joining the Q2 & H1 FY27 earnings call. On behalf of the management team, I would like to extend our sincere gratitude to our shareholders for their continued trust, confidence and support as we progress on our journey for growth.

As we look ahead, we remain confident in the long-term opportunities available to UDS. We will continue to focus on execution, profitable growth and operational excellence, while remaining responsive to changes in the external environment. If you have any further questions, please reach out to us or to SGA, our Investor Relations Advisor. Thank you all of you.

Amitabh Jaipuria: Thank you. Thank you, everyone.

Ram Praveen R: Thank you, everybody.

Elizabeth Jacob: Thank you.

Moderator: Thank you very much. On behalf of Updater Services Limited, that concludes the conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.