

June 4, 2025

BSE Limited  
Corporate Relation Dept.  
P. J. Towers, Dalal Street  
Mumbai 400 001.  
**Scrip Code : 532859**

National Stock Exchange of India Ltd.  
"Exchange Plaza"  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051.  
**Symbol : HGS**

Dear Sir/Madam,

**Sub: Transcript of Earnings Conference Call held on May 29, 2025**

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This is in continuation to Q4 & FY2025 Earnings Conference Call of Hinduja Global Solutions Limited held on May 29, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015, we wish to attach herewith the transcript of Q4 & FY2025 Earnings Conference Call of the Company held on May 29, 2025.

The transcript can also be accessed using: <https://hgs.cx/investors/>

Thanking you,

For **Hinduja Global Solutions Limited**

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by NARENDRA  
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Date: 2025.06.04  
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**Narendra Singh**  
**Company Secretary**  
**F4853**

Encl: As above

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**Hinduja Global Solutions Limited**  
**Q4 and Full-Year FY2025 Earnings Conference Call**  
**May 29, 2025**

Key Speakers:

Mr. Partha DeSarkar, Executive Director and Group CEO, HGS

Mr. Vynsley Fernandes, Whole-time Director, HGS and CEO of Digital Media Business

Mr. Srinivas Palakodeti, outgoing Global CFO, HGS

Venkatesh Korla, Global CEO, HGS

Mahesh Kumar Nutalapati, the new Global CFO.

**Hinduja Global Solutions Limited**  
**Q4 & Full-Year FY2025**  
**May 29, 2025**

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**Moderator:** Ladies and gentlemen, good day, and welcome to Hinduja Global Solutions Limited Q4 & FY2025 Earnings Conference Call.

From the senior management team, we have with us today Mr. Partha DeSarkar – Executive Director and Group CEO, HGS; Mr. Vynsley Fernandes – Whole-Time Director, HGS, and CEO of the Media Business; Mr. Srinivas Palakodeti – Global CFO, HGS; along with Mr. Venkatesh Korla, who was announced as the new Global CEO yesterday; and Mr. Mahesh Kumar Nutalapati, the new Global CFO.

As a reminder, all participant lines will be in listen-only mode. There will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' followed by '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anand Venugopal from Adfactors PR. Thank you, and over to you, Mr. Venugopal.

**Anand Venugopal:** Thank you, Renju. Good evening, everyone. We welcome you to the Fourth Quarter and Financial Year ended March 31, 2025, Earnings Call of Hinduja Global Solutions Limited.

Before we begin, I would like to mention that some of the statements made during today's call may be forward-looking in nature and could involve risks and uncertainties, including those related to future financial and operational performance.

Please bear with us in case of any call drop during the conference; we will ensure the call is reconnected at the earliest.

I will now hand over the call to Partha Sir to share his views. Over to you, Partha Sir.

**Partha DeSarkar:** Thank you very much, and a very good afternoon to all of you. I hope my audio is clear. I'd like to start with the PowerPoint presentation that has already been uploaded on the website. It provides a snapshot of HGS' financial performance.

For the last quarter, our total income stood at ₹1,297.7 crore, which is equivalent to 153.4 million US dollars. Operating revenue was ₹1,161.1 crore or 137 million US dollars, and total EBITDA came in at ₹279 crore or 33 million US dollars. EBITDA margins stood at 21.5 percent.

For the full financial year ended March 31, 2025, total income was ₹4,958 crore or 586.1 million US dollars. Operating revenue stood at ₹4,404.2 crore or 520.6 million US dollars, and total EBITDA was ₹811.8 crore or 96 million US dollars. EBITDA margins for the year were 16.4 percent.

Let's move to Slide 5, which provides a qualitative summary of where the business stands. As you are aware, there are some headwinds due to political uncertainty, which has led to a lengthening of the sales cycle. Given this environment, our sales teams have been focusing on smaller, shorter-duration projects. The positive development is that, toward the end of the year, we signed several new clients whose full-year revenue impact will be visible in the next fiscal.

We have seen a significant expansion in margins, and our sales pipeline remains healthy. In the last quarter, we also appointed Mr. Anshuman Singh as our CEO for the UK, with a strategic focus on digital operations. This complements our ongoing emphasis on the North American market. Demand for offshoring services remains strong, and as I mentioned earlier, several new contracts were signed in the fourth quarter.

Moving on, artificial intelligence, particularly Agentic AI, is significantly influencing traditional customer experience businesses. HGS has been deeply involved in this transformation through our Agent X platform. We have made substantial investments in this platform over the years and have integrated a wide range of AI capabilities. We have also partnered with startups and technology providers to bring features such as language translation, voice authentication, and even deepfake detection into the platform. Agent X has evolved into a highly advanced technology suite.

AI is now embedded across all our service offerings. Our AI Labs, located in several countries, are working closely with clients in sandbox environments to pilot many AI projects. This is a crucial pathway for clients to adopt AI effectively in their customer journeys. We are encouraged to see more and more clients open to introducing AI, with our AI Labs playing a vital enabling role.

Our go-to-market strategy has become vertical focused. Our three primary verticals are Banking and Financial Services, Consumer and Retail, and Technology and Media. We have been targeting mid-market clients with AI-led solutions, including fraud detection, anti-money laundering, automated loan processing, and customer insights. These are entirely new offerings developed through internal investment and are now being brought to market.

Now moving to the business highlights. We currently serve 375 active CX and digital clients, and 833 clients through our HRO practice. Our DTV and broadband businesses have a customer base of around 6 million. Our partner fiber network extends to over 200,000 connections across key cities and towns.

We have recently opened a new technology services center in Bengaluru and a CX hub in Cape Town. Globally, we won 18 awards across business, technology, HR, and CSR categories. We now operate 32 delivery centers across 9 countries, with a total workforce of 18,347 employees. One aspect I am especially proud of is our gender diversity, with women making up 44 percent of our workforce.

In February 2025, both HGS Canada and HGS Philippines were certified as Great Places to Work. Our CSR initiatives impacted over 1.1 million individuals through structured programs and employee volunteering.

Earlier this month, on May 14, I had the privilege of inaugurating our Canadian AI Hub in Waterloo, which is about an hour from Toronto. This facility will create 150 jobs and serve as our flagship center for advancing AI-led customer experience, automation, and data science. The launch on May 15 was attended by clients, partners, government officials, and industry leaders. It was a proud milestone for HGS.

Now moving to Slide 9, I would like to introduce our new Global CEO. Venkatesh Korla, known to many of you as Venk, is with us on the call today. The Board has approved his elevation to become the Global CEO of HGS. Earlier, he was President and CEO of HGS Americas, and he'll now be taking over from me.

He's an accomplished business leader with over 25 years of experience in core digital services and tech-enabled customer experience. A technologist at heart, he is passionate about harnessing the power of technology, data, and artificial intelligence to transform customer journeys. Venk founded Element Solutions, which was acquired by HGS in 2018. This acquisition laid the foundation for our technology services business, and since then, he has played a key role in scaling operations and building high-performing teams.

Venk now takes over from me as the Global CEO of HGS. This will be my final earnings call. From the next quarter onward, you will be hearing directly from him.

Finally, on Slide 10, I would like to introduce another key leader, Mahesh Kumar Nutalapati, who has been appointed Global CFO of HGS. The Board has approved his elevation as well. He joined us as Deputy CFO in February and now assumes the CFO role. Mahesh is a Chartered Accountant with more than 24 years of experience across various financial functions. He brings deep expertise in financial transformation, risk management, and ESG.

Mahesh has led multiple cost optimization initiatives and contributed significantly to ESG frameworks in his previous roles. He takes over from Mr. Srinivas Palakodeti, who has been our CFO for a long time now. With this transition, both Mr. Palakodeti and I have officially handed over our responsibilities to Venk and Mahesh as of yesterday.

With that, I'm going to hand over the call to Venk, who will walk you through market trends and our forward-looking strategy. Over to you, Venk.

**Venkatesh Korla:**

Hello, everyone. Good afternoon and thank you for joining. I hope you can all hear me clearly.

From a market trends standpoint, our strategy has been to build a sustainable, digital-led business. Over the last few years, we have integrated our process management and technology services businesses, working to scale the technology services segment. This has led to the creation of a new domain called AI-powered digital operations, focused on executing process management through AI-led technology. At the same time, we continue to invest in process management solutions, including workforce deployment as needed.

Moving to the next slide. The world continues to evolve rapidly. Every year, and even every few months, innovations in AI and technology emerge. With the latest advancements in Agentic AI, we are witnessing a shift away from traditional, manual business process management, which is often constrained by long turnaround times, time zone barriers, human errors, and black box processes. These challenges can now be addressed through automation or by leveraging AI in collaboration with the human workforce, creating more standardized, productized outcomes.

Next-generation AI agents will significantly impact operations across multiple domains, including call center services, data processing, financial reconciliation, IT application management, and HR outsourcing. All these areas, where we have deep expertise, will transform.

Moving to the next slide. Our strategy for harnessing Agentic AI centers around three key pillars:

1. **AI Strategy & Implementation Services** – We provide advisory and custom-built solutions, offering a full spectrum of AI implementation. These services are structured on a project-fee basis for our clients.
2. **AI-Enabled Package Solutions** – We use IT as a value-add, offering accelerators for scalable, repeatable delivery. These solutions incorporate best practices and intellectual property, which we typically license alongside project-based fees.
3. **Agent X Expansion** – Originally designed as a call center support solution, Agent X is now evolving into a broader cost-management offering, enabling AI-driven digital operations. This expansion increases our reach across vertical and horizontal use cases, allowing us to execute

end-to-end processes and charge fees based on transactions. Our own transformation journey positions us as a leading example for our customers.

Moving to the next slide. One of our core approaches to packaged solutions is to bridge the gap between products and services. Rather than being just a standalone product or service, our offering provides the reliability of a product alongside the flexibility of consulting services.

Our key objectives in this space include:

- Accelerating time-to-value for our customers
- Expanding revenue through scalable, repeatable solutions
- Enhancing delivery efficiency
- Positioning ourselves as a solution-led partner rather than just a service provider
- Strengthening our presence in core verticals such as consumer goods & retail, BFSI, and TMT

In FY2026, we plan to launch an initial set of prioritized solutions, aligned with market demand. To support this, we will establish a dedicated package solutions team encompassing product development, delivery, R&D, and go-to-market efforts. This team will closely integrate with our sales and marketing functions to drive new customer acquisitions.

Moving to the next slide. Our digital operations journey with Agent X has progressed through three distinct phases:

1. **Operating Better** – Initially, we leveraged AI to increase productivity and reduce costs, driving improved margins over the last few years.
2. **Delivering Better** – We then focused on enhancing efficiency, efficacy, and value for our customers by improving the quality of service delivery. AI-powered interaction intelligence has enabled us to extract insights and drive better outcomes.
3. **Changing the Game** – Now, we are embarking on the next phase: developing autonomous AI agents to run business processes and differentiate us from competitors. Beyond operational improvements, we will focus on creating industry-specific, future-ready offerings and pioneering new, high-impact revenue and operating models, primarily transaction-based.

With that, I will now hand it over to Vynsley, who will discuss our Digital Media Business.

**Vynsley Fernandes:**

Thanks, Venk. Good afternoon, everyone, and thank you all for joining this Thursday afternoon. I truly appreciate your time.

First, I would like to extend a warm welcome to Venk and Mahesh. Great to have you both on board. We look forward to working together to take HGS up and beyond.

Moving to the Digital Media Business - Slide 18. As I promised in previous calls, I want to provide you with a snapshot of industry developments. These two news articles encapsulate the current landscape.

On the right-hand side, we see the digital television business facing significant headwinds. The Pay-TV industry continues to see a subscriber decline as OTT platforms gain traction and DD Free Dish, a free YouTube-based service, expands its reach. Despite these challenges, linear television remains a formidable force, with our Headend-In-The-Sky platform being the only one of its kind in the country. It still reaches 900 million viewers, compared to the 540 million audience of digital alternatives. While the industry faces challenges, we remain committed to innovation, ensuring we adapt and make the leap to digital.

On the left-hand side, we see a very different yet highly relevant trend. Over the past three decades, our company has developed a strong local cable operator network under the Hinduja Group's partnership-for-growth philosophy. Today, we work with over 10,000 operators, and their role in expanding India's wired broadband infrastructure is becoming increasingly critical. With wired broadband already surpassing 41 million connections, projections indicate that this number could double by 2030.

Even then, as the news article highlights, wired broadband will make up just 4.4% of the total broadband user base, signaling vast growth potential. The demand for speed, bandwidth, and connectivity is expected to skyrocket, making broadband one of India's sunrise sectors.

Moving to Slide 19. This slide reflects exactly what we've been discussing. Our broadband business has remained stable as we continue expanding our pan-India digital television base.

A key factor in sustaining this business is our focus on Tier-2 and Tier-3 markets. Historically, we have thrived in semi-urban and rural markets, areas that aspire to grow digitally and where the government is strongly focused on digital inclusion. We remain committed to actively supporting these regions with broadband expansion.

- **Broadband business:** ARPUs remain steady at ₹179 per month, a healthy level for sustaining growth.
- **Digital television business:** While subscriber numbers have faced pressure, our team has worked diligently to innovate packaging strategies, introduce regionalized content, and tailor offerings to rural markets. This approach has boosted digital television ARPUs, despite broader industry challenges.

Moving to Slide 20. This is another area I promised to share each quarter, and I am happy to do so. Over the past year, we have focused on high-value segments to drive greater value creation and accretion.



- **Organic growth:** Year-over-year improvements continue, as reflected on the left-hand side of the slide.
- **Enterprise business (CelerityX):** Revenue contribution has grown and now accounts for 3% of total broadband revenue.
- **Strategic alliance partners:** While percentage contribution has declined, the overall revenue pie has expanded significantly, making our growth trajectory even stronger.

Our approach ensures top-line expansion, a strong organic retail business, and diversified revenue streams. If you look at the revenue mix on the right-hand side, you'll see how each business segment is contributing to overall growth.

Perhaps most importantly, this de-risks our business model, making it far more resilient. CelerityX (enterprise business), bulk bandwidth (serving smaller partners), joint ventures, and organic retail all now contribute substantially, ensuring each segment stands strong on its own.

Moving to Slide 21. As we commence the new fiscal year, this slide is pivotal in outlining our strategic direction and anticipated industry trends. As mentioned earlier, India's broadband subscriber base is projected to double over the next five years.

To contextualize this growth, it has taken approximately 15 to 17 years to reach the current 41 million broadband connections, and it is projected to double in the next 5 years. However, the accelerating pace of digital proliferation, online gaming, bandwidth-intensive applications, home connectivity, cybersecurity requirements, and institutional data demands suggests that this expansion will occur at a much faster rate moving forward.

To capitalize on this industry momentum, our strategic framework is structured around four key pillars:

#### 1. Growing the retail organic subscriber base

- As depicted on Slide 21, we continue to prioritize Tier-2 and Tier-3 markets, where we have an established digital cable operator presence.
- This presence enables us to optimize acquisition costs, ensure high service quality, and leverage low-entry barriers to scale efficiently.
- Additionally, we recognize an opportunity for ARPUs improvement through upselling higher-speed broadband plans.
- While broadband speeds in India largely remain below 100 Mbps, global markets are shifting toward higher-speed connectivity, signaling significant potential for premium service adoption.

#### 2. Roll-out of mini-entrepreneur model

- The Hinduja Group has a proven track record of fostering long-term entrepreneurial partnerships, particularly in digital television.

- Building on this success, we plan to replicate the model in broadband expansion, collaborating with local entrepreneurs to develop a network of digital service providers, including broadband and IPTV offerings.
- IPTV services have been successfully tested in Bengaluru, and we intend to extend deployment nationwide.

### **3. Growing CelerityX (Total Contract Value)**

- CelerityX, our newest division, has gained strong traction in the enterprise broadband sector.
- Our strategy centers on targeting mid-sized tenders, expanding our solution portfolio, and enhancing service offerings to drive growth.
- Furthermore, we are capitalizing on internal synergies between our CX business and media division, developing cross-functional solutions that provide greater value to enterprise clients.

### **4. Building a 360-degree sales-oriented organization**

- A robust sales strategy and organizational structure will be crucial in executing our growth plans effectively.
- To support this expansion, we are onboarding senior leadership across domains such as commercial control, product development, and customer experience.
- As we scale deeper into Tier-2 and Tier-3 markets, we recognize the importance of strong technical support and a superior customer experience framework.
- Leveraging our digital CX expertise, we aim to enhance service standards and drive sustained business growth.

Each of these four pillars is strategically designed to propel growth in broadband, a sunrise sector with strong expansion prospects. While market headwinds persist, our digital television business remains resilient, and we continue to observe steady traction and expansion, particularly across emerging markets.

Thank you all for your time. With that, I will hand over to my colleague, Pala. Pala, over to you.

**Srinivas Palakodeti:** Thank you, Vyns. I hope you are able to hear me clearly.

**Vynsley Fernandes:** Loud and clear.

**Srinivas Palakodeti:** Thank you, everyone, for joining our Q4 and FY2025 earnings call. I am on Slide 23.

These are the financial results for the quarter. On a sequential basis, revenues have increased from ₹1,064 crore to ₹1,161 crore. As outlined in the segment analysis on our publication page, both the BPM business and the Media Business have reported revenue growth on a sequential basis. However, on a year-on-year basis, there is a minor decline, primarily from the BPM business.

Depreciation has reduced on a sequential basis. Overall, the Profit Before Tax (PBT) for the quarter stands at ₹103.5 crore, compared to ₹41.3 crore in Q3 FY '25 and ₹41.4 crore in Q4 FY '24, maintaining consistency with previous quarters.

Tax for Q4 is ₹105 crore, significantly higher than the ₹50 crore provision in prior quarters, primarily due to an increase in deferred tax. Detailed tax breakdowns are available on the publication page.

At an overall level, Profit After Tax (PAT) for Q4 FY '25 came in at a loss of ₹1.7 crore, significantly lower than the Q3 FY '25 loss, approaching near breakeven levels compared to Q4 FY '24. This improvement has been driven by a rise in EBITDA margins, which have increased from 19% in Q3 FY '25 to 21.5% in Q4 FY '25.

**Moving to Slide 24 – Full-Year Performance:**

For FY '25, operating revenues declined by approximately ₹200 crore compared to FY '24, primarily due to a dip in the BPM business, while the media segment recorded robust growth of approximately 17%-18% on a year-on-year basis.

EBITDA margins have remained stable at 16.4%, reflecting an improvement of 10 basis points over FY '24. Depreciation has declined, while interest expenses have increased, and other income has shown a positive trend compared to FY '24.

At the overall level, PBT stands at ₹59.8 crore, compared to ₹110.5 crore in FY '24. Total tax for FY '25 is ₹177.7 crore, largely attributed to deferred tax provisions.

Net profit for FY '25 is ₹100.7 crore, compared to ₹131.2 crore in FY '24. The ₹100.7 crore profit includes profits from discontinued operations, as reported in Q1 FY '25.

**Moving to Slide 25 – Balance Sheet Overview:**

We maintain a strong balance sheet, with a total net worth of ₹7,855 crore. Total debt stands at ₹1,187 crore, reflecting healthy gearing ratios.

**Moving to Slide 26 – Cash Flow Summary:**

Cash flow from operations has significantly increased, rising from ₹192 crore in FY '24 to ₹457 crore in FY '25. Capital investments of ₹502 crore have been made, including ₹127 crore related to the earnout payment for the TekLink acquisition.

Total cash and cash equivalents have increased from ₹675 crore in FY '24 to ₹752 crore at the end of FY '25.

**Moving to Slide 27 – Treasury & Debt Position:**

- Total debt has reduced by ₹25 crore between December '24 and March '25.
- Treasury and cash surplus declined by ₹10.4 crore.
- Net treasury and cash surplus increased by ₹15.4 crore, reaching ₹5,168 crore as of March 31, 2025.

**Revenue Composition Analysis – Slide 28:**

- CX services contributed 54% of total revenue for Q4 FY '25 and 56% for the full year.
- Digital services across BPM and media businesses accounted for 46% in Q4 FY '25, up from 44% for the full year.

**Slide 29 - Revenue by Composition – By Origination**

For FY '25:

- India accounted for 37%
- US: 30%
- UK: 13%
- Canada & Australia combined: 18%

**Slide 30 - Revenue by Composition – By Vertical**

For FY '25:

- Tech, telecom, and media accounted for 54%
- BFSI sector saw an increase, rising from 16% to 18% in Q4 FY '25
- Public sector revenue contributions remain stable, primarily from the UK and Canada

**Client Concentration – Slide 31:**

- Top customer accounts for 8.3% of revenue
- Top 5 customers contribute 20.9%
- Top 10 customers represent 28.5%

Our BPM business remains diversified, with client concentration well-distributed to minimize risk.

Days Sales Outstanding (DSO) remains healthy. It has dropped by three days between Q4 FY'24 and Q4 FY'25 . As seen in the cash flow statement, our overall cash flow from Operations remains strong, with clients maintaining stable financial health.

Before I conclude, as Partha mentioned, I will be stepping down, retiring at the end of June. A new CFO and CEO will be transitioning into leadership roles.

I have been part of HGS for 15 years through approximately 60 quarterly earnings calls. Partha has been around for much longer and he must have done more than 100 earning calls. I want to extend my sincere gratitude to everyone who has participated over the years.

I appreciate the engagement, insights, and constructive discussions that have shaped these calls. Whether in strong financial quarters or challenging periods, your thoughtful questions and feedback have been invaluable.

Thank you for your continued interest and support in HGS and its future plans.

I will now hand it back to the moderator to open the Q&A session.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Prisha Shah, an individual investor. Please go ahead.

**Prisha Shah:** Hello, sir. Could you please elaborate on how the centers in our BPM business are performing? Also, what kind of scale and potential do you see from the new tech services center in Bangalore for tech services and the CX hub in Cape Town?

**Srinivas Palakodeti:** Pala here. We currently have about 32 delivery centers across nine countries. The center in Bangalore is for tech services. And sorry, I didn't catch the second part of your question - could you please repeat it?

**Prisha Shah:** Sir, the second part of my question was about the kind of scale and potential we can expect from the new tech services center in Bangalore and the CX hub in Cape Town.

**Srinivas Palakodeti:** Okay. As far as Cape Town is concerned, that is something we started last year. We are seeing good opportunities for growth. Within a short period, we realized we needed to take additional space. This is something we had shared in the previous quarter as well. So that is exciting. Delivery from South Africa is showing strong traction, with interest from customers in the UK, the US, and even Australia. We are very optimistic about quick scaling of the Cape Town facility. As for the tech services hub in Bangalore, it is primarily meant to support tech service delivery for business coming in from North America. As you know, that's the biggest market for tech services.

**Prisha Shah:** Thank you, sir. That answers my question. I have one more. Are we facing any delays in contracts in Q4? And if yes, how are we tackling the situation, and when can we expect normalization?

**Partha DeSarkar:** That's a very tough question to answer, given the global market uncertainties. I think you're aware of what these uncertainties are, so I don't need to elaborate. It is difficult to provide a clear answer at this point, and frankly, I don't have a satisfactory one for you today.

**Prisha Shah:** Okay. Thank you so much. No issues. I will come back in the queue.

**Moderator:** Thank you.

**Partha DeSarkar:** Sorry, I would just like to add that we are seeing encouraging developments in the mid-market segment, where the decision cycles are slightly shorter. So, in the mid-market, the momentum is reasonably good, and that's why I mentioned that in Q4 we signed quite a few mid-market clients. However, the larger deals are taking more time.

**Moderator:** Thank you. Next question comes from the line of Ranga Prasad, an individual investor. Please go ahead.

**Ranga Prasad:** Good afternoon, everyone. At the outset, I would like to thank Mr. Partha DeSarkar and Mr. Palakodeti for their stellar service to the organization over many years. I would also like to take this opportunity to welcome Mr. Venkatesh Korla and Mr. Mahesh Kumar to the organization.

My first question pertains to the standalone results. Firstly, what operations or divisions are covered in the standalone financial results? Do they include the media and communication divisions as well?

At the standalone level, the loss before tax was ₹49 crore for the quarter and ₹242 crore for the full year. At the PAT level, there was a loss of ₹106 crore for the quarter and ₹323 crore for the full year. By when can we expect to achieve breakeven at the standalone level, considering these are quite significant losses?

**Srinivas Palakodeti:** Thank you, sir. This is Pala here. The standalone results comprise our Philippines branch. Our India delivery that services clients from the US and UK, the HRO business, and the digital TV part of the media business. That's the scope it covers.

Just to add, the broadband business, which is also part of the media group, sits in a subsidiary owned by HGS. Hence, the broadband and other components of the media business are part of the consolidated financial results. In the standalone results, we primarily have only the Digital TV Business.

Your point on the performance is well taken. There are a couple of things I'd like to highlight. In addition to the businesses mentioned, we also have the corporate team costs sitting in India, which are included in the standalone results.

We are obviously focused on all opportunities to grow revenue. More importantly, we are working on cost savings and rationalization. This is something we began last year and expect to see more traction on through the rest of this year.

Coming to specifics, Vyns spoke about some of the challenges in the DTV business. We're now looking to leverage our existing DTV customer base to sell other services like broadband, rather than directly growing the DTV segment.

Vyns, please feel free to add.

**Vynsley Fernandes:** No, no, I think you are spot on. Mr. Ranga Prasad, good evening to you, sir.

**Ranga Prasad:** Good evening, Vynsley.

**Vynsley Fernandes:** Sir, if we examine the media and communication segment specifically, despite headwinds in the DTV business, growth in the broadband segment has effectively offset these challenges. We are already witnessing significant tailwinds driving this upward trajectory, and we remain focused on sustaining this momentum in the coming period.

**Ranga Prasad:** Yes, I have seen that the media division profit before accounting for interest has gone up from Rs. 10 crores to Rs. 30 crores, so that is a very positive sign.

**Vynsley Fernandes:** Yes sir.

**Ranga Prasad:** The other one is, what are the main contributors to the other comprehensive income, because this seems to be very substantial for the year?

**Vynsley Fernandes:** Sure. Sir, I will just look at it from the media, because I am assuming that's what you are referring to, Mr. Ranga Prasad?

**Ranga Prasad:** No, I am actually referring to the overall.

**Vynsley Fernandes:** Okay, overall. Pala, you want to, and then I will speak about the media aspect.

**Srinivas Palakodeti:** His question was regarding other comprehensive income. These primarily include items such as hedge effectiveness, where changes are considered temporary, or instances where hedges remain effective. Any gains or positive adjustments from these hedges are recorded directly in the balance sheet without impacting the P&L. These figures will continue to fluctuate, but unless there is a significant event such as a foreign exchange hedge becoming ineffective or an interest rate swap failing these typically do not affect the P&L for the year.

**Ranga Prasad:** Okay. And I asked this question in the last time, why are the deferred taxes so high? We are showing a loss at the PAT level and even then we are having high deferred taxes, what is the cause for this?

**Srinivas Palakodeti:** Yes, this is primarily an accounting matter related to the creation of deferred tax assets based on timing differences. Given the overall uncertainty, we have adopted a more prudent approach and derecognized certain deferred tax assets that had been previously recorded. On a standalone basis, the deferred tax provision was approximately ₹17 crore in Q3, which has increased to ₹55 crore in Q4.

**Ranga Prasad:** Yes. Okay. Thank you very much.

**Srinivas Palakodeti:** Thank you, sir.

**Moderator:** Thank you. Next question comes from the line of Hina Parekh with Invest First Advisors. Please go ahead.

**Hina Parekh:** Hello, and thank you for the opportunity. My first question is: What steps are we taking to enhance revenue and improve margins in the BPM business, including both traditional call center operations and businesses like TekLink?

**Srinivas Palakodeti:** Yes, Pala here. Thank you for your question.

Our focus has been on growing the CX business in offshore markets, where revenue per client may be lower in absolute dollar terms but margin realization is significantly higher. Consequently, our strategy prioritizes expansion in cost-efficient delivery locations, such as India, the Philippines, Colombia, Jamaica, and South Africa, where we recently opened a center.

Looking at our geographical expansion, our investments have been centered around lower-cost delivery hubs, including Colombia which we opened a couple of years ago and South Africa which we opened last year.

On the onshore side, revenue margins tend to be lower, and accordingly, our focus on expanding onshore operations remains limited. Wherever possible and with client agreement, we have actively shifted service delivery from onshore locations to offshore centers.

It is important to note that when a client transitions from onshore to offshore, billing rates typically decrease by approximately 50%, given the lower cost base in offshore locations such as India and the Philippines. While this results in a reduction in revenue, it simultaneously enhances margin performance as we optimize delivery costs.

As Venk mentioned, our strategic priority is expanding digital and technology services, which aligns with long-term growth objectives. Additionally, we continue exploring cross-selling



opportunities, both within our existing client base and by acquiring new customers to drive revenue expansion.

On the cost optimization front, we are actively rationalizing expenses wherever feasible. This includes reducing overseas real estate footprint, centralizing operations, and leveraging lower-cost locations like India and the Philippines for internal services and tech delivery.

I hope this provides the clarity you were looking for.

**Hina Parekh:** Yes. Secondly, what measures are we implementing to enhance the profitability of our media business, particularly in broadband and digital TV? Additionally, what strategies are we employing to further increase margins and revenue in the media segment?

**Vynsley Fernandes:** Yes. So good afternoon, Hina. Good connecting with you. Thank you so much for your question. Vynsley here. Hina, you can hear me loud and clear?

**Hina Parekh:** Yes.

**Vynsley Fernandes:** Okay. As I mentioned in the last quarter, Hina, and in previous earnings calls, our focus has been on expanding broadband by targeting markets with lower entry barriers.

In major cities, competition is intense, with 10 to 20 service providers operating in a single location. However, in Tier-2 and Tier-3 markets, the number of players is significantly lower, resulting in lower entry barriers while maintaining strong demand for high-quality services.

Customers in these markets have high aspirational levels and are willing to pay for superior service quality, making these regions a key focus for our growth strategy. The Q4 results reflect this expansion, validating our approach in penetrating households within these segments.

Another pivotal area is CelerityX, our enterprise business, which has shown steady growth. Last year marked its first full year of operations, and it has successfully made inroads into corporate and enterprise segments.

The corporate sector presents distinct advantages:

- Higher ARPUs (Average Revenue Per User)
- Longer contract durations, typically ranging from 24 to 60 months, whereas retail contracts can be as short as one to two months.

This model ensures both top-line and bottom-line resilience, strengthening our revenue stability.

Additionally, our cost of acquisition remains lower, as many of the Tier-2, Tier-3, and Tier-4 markets we are entering already have an established digital television presence through our Headend-In-The-Sky (HITS) business.

Since HITS is operational across India, including smaller towns and remote areas, we are leveraging this existing infrastructure to support broadband expansion, which has positioned us well for long-term growth.

Looking ahead, our strategy for FY '26 continues to align with this direction. As referenced on Slide 21, this approach will be further expanded to enhance market penetration and profitability.

I hope this answers your question, Hina.

**Moderator:** Ms. Parekh, are you done with your question?

**Hina Parekh:** Yes. Thank you.

**Vynsley Fernandes:** Thank you.

**Moderator:** Next question comes from the line of Ravi Vadaga, an individual investor. Please go ahead.

**Ravi Vadaga:** Okay. My first question pertains to strategic direction. If we look at the media business as a standalone entity and compare it with BPM and tech businesses, they appear to be two distinct groups. Traditionally, media businesses, including DTV and related services, have been managed by telecom companies, given their alignment with ARPUs and industry metrics.

Meanwhile, BPM, digital services, and technology-driven businesses operate within a separate ecosystem, more closely aligned with BPO and tech-driven frameworks. From a CEO-level perspective, what are the synergies between these two businesses that enable their coexistence within the same group?

My second question relates to capital allocation. There is a significant amount of cash reflected on the balance sheet, and while this question arises each quarter, long-term investors are keen to understand the strategy surrounding its utilization. Is there a structured plan to deploy this cash, and does the company have a formal policy regarding potential distribution to shareholders?

**Vynsley Fernandes:** Ravi, this is Vynsley, good afternoon to you, thank you. Can you hear me, Ravi, loud and clear?

**Ravi Vadaga:** Yes, I can.

**Vynsley Fernandes:** Okay. I'll take your first question, Ravi. It a fundamentally relevant one.

As a group, we have consistently been ahead of the curve, and our approach to media and technology integration reflects this long-term vision. Allow me to briefly take a historical perspective on how the Hinduja Group philosophy has shaped HGS and its digital evolution, including the media space.

In 2012, we recognized that traditional cable infrastructure would face limitations in nationwide expansion. Markets such as the Andaman Islands and deep rural pockets remained challenging to reach, despite India's vast opportunities beyond metropolitan areas. This led to the development of the Headend-In-The-Sky (HITS) platform, which today stands as the only platform in India connecting 4,500 PIN codes across 1,800 cities and towns.

Long-term strategic foresight has always been at the core of our decision-making.

Similarly, several years ago, we anticipated that digital would drive the future. Recognizing an existing customer base of 6 million homes, we leveraged digital CX capabilities, not just as a customer experience provider, but as a solutions-driven technology entity. This is where our AI-powered innovations like Agent X, which Venk previously discussed, fit into the broader ecosystem.

The synergies between our BPM, digital media, and technology divisions were clear. CelerityX, for instance, has capitalized on this integration, aligning the technology capabilities of our BPM team with the digital media business, developing enterprise-level solutions that now set industry benchmarks.

Some of the flagship products already rolled out include:

- OneX
- NetX
- SkyX

These solutions are now actively delivering value to enterprise clients, reinforcing our positioning as a technology-driven organization with deep roots in media infrastructure.

The synergy between these businesses exists across three core areas:

1. Customer Base Alignment – Our largest market segment is TMT (Technology, Media, and Telecom), enabling natural cross-functional collaboration.
2. Technology Integration – Our BPM and digital media teams are jointly developing high-impact solutions, driving growth opportunities across multiple verticals.
3. End-to-End Value Creation – Our ability to innovate, deploy, and refine solutions internally ensures continuous improvement and scalability.

Looking forward, emerging technologies like broadband via satellite will open new growth avenues. Millions of users will require service support, and HGS is uniquely positioned to cater to this demand.

- On one side, we have CX capabilities tailored for high-volume customer engagement.
- On the other side, we have an experienced technology division, already proficient in broadband and satellite delivery.

This combination creates an unmatched synergy, reinforcing our ability to drive innovation, scale operations, and deliver enterprise-level solutions seamlessly.

Ultimately, our vision has always been to combine distinct yet complementary strengths, align them with emerging industry trends, and build a business geared for long-term sustainability.

If you refer to Venk's slide, it provides further insights into how these strategic synergies play out across technology, operations, and customer engagement frameworks.

Our front-end technology and customer-facing media businesses work in tandem with our back-end BPM and CX capabilities. This enables a holistic, future-ready approach, ensuring long-term success. The vision behind this integration has always been forward-looking, aiming for sustained growth and market leadership.

I hope that clarifies your question, Ravi, from a strategic standpoint.

As for cash utilization, I believe the right person to address that is Pala—so I'll hand it over to him for further insights.

**Ravi Vadaga:**

Yes.

**Srinivas Palakodeti:**

Thanks, Ravi, and I appreciate your question, it's a very valid one.

Looking at cash and treasury surplus on a consolidated basis, the funds are distributed across multiple geographies, rather than being concentrated in a single location.

As you may recall, following the sale of our healthcare business, the transaction occurred in multiple phases across India, the US, the Philippines, and Jamaica. From the India leg, we executed a buyback approximately two years ago, through which ₹1,020 crore was returned to shareholders in a tax-efficient manner. The applicable tax was paid by the company under the prevailing regulations at that time.

However, the buyback taxation rules have since changed, meaning that if we were to execute another buyback today, it would not be the most efficient method, as any funds received by shareholders would now be subject to taxation.

Additionally, a significant portion of cash reserves is held outside India, in locations such as Mauritius. Transferring these funds back into India would trigger a substantial tax on overseas dividends, making it a less optimal approach.

#### *How We Are Utilizing Our Cash Reserves ?*

Our cash has primarily been deployed toward acquisitions, including:

- TekLink acquisition
- Acquisition of our Australian business
- Greenfield expansion in Colombia and South Africa going forward, our primary use of these funds remains focused on acquisitions.

However, we continue to exercise caution in investment decisions, ensuring that we do not overpay or get caught up in AI-driven acquisition hype. Any acquisitions we pursue will be thoroughly evaluated, factoring in:

1. Strategic capabilities
2. Technology and innovation
3. Potential client value
4. Fair valuation

We remain committed to responsible capital allocation, ensuring that our investments align with long-term strategic objectives and deliver shareholder value.

**Ravi Vadaga:**

Okay. So, in summary, the primary use of cash reserves will be for acquisitions. Would a rough time frame of 12 to 18 months be a fair assumption? I understand this could change based on business conditions and the nature of acquisition targets. However, do you anticipate that a significant portion of the cash currently available will be deployed within the next 18 months as part of a longer-term strategic roadmap? That's just a viewpoint.

**Srinivas Palakodeti:**

As I mentioned, we will continue to pursue acquisitions that align with our strategic objectives. Our primary focus will be on technology-driven opportunities rather than traditional CX.. To provide directional clarity, we are considering a mix of potential transactions—this could involve multiple smaller deals or a few larger acquisitions. While it is difficult to specify an exact number or timeline at this stage, this represents the broad trajectory we are targeting.

**Ravi Vadaga:**

Okay. I have a small follow-up question based on Srini's comments. Looking ahead to May 2027—24 months from now—how do you envision HGS evolving?

Much of this future positioning will be shaped by our current operations, ongoing transformations, and inorganic growth strategy. While we already understand the direction of

our existing businesses, how do you foresee the overall transformation taking shape, particularly with respect to potential acquisitions and strategic expansion?

Could Partha or Venk provide insights into the vision for HGS in 2027, offering investors a sense of the roadmap and strategic trajectory?

**Partha DeSarkar:**

Let me take that question—it's a great one.

Currently, a significant portion of our BPM business operates onshore, but we anticipate a gradual reduction in our onshore footprint, given the lower-margin nature of these operations. Instead, we are expanding our offshore presence, with new centers established in South Africa, Jamaica, and Colombia, alongside existing hubs in India and the Philippines. These locations will continue to grow, while our onshore footprint will be significantly reduced—a strategic shift that aligns with our long-term efficiency and profitability goals.

Secondly, regarding our revenue mix of the BPM business, by the end of next year, we expect it to be approximately 32% digital and 68% traditional business. However, in the next three years, this ratio is expected to reverse, with a significant increase in digital revenue streams. Ideally, our digital businesses will outpace traditional BPO operations, driving higher margins and improving overall profitability.

Directionally, this is the path we are focused on moving forward.

**Ravi Vadaga:**

Fair enough. Thanks Partha.

**Moderator:**

Thank you. Ladies and gentlemen, that was the last question for today. Due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Partha for closing comments.

**Partha DeSarkar:**

Thank you. Once again, my goodbyes to all of you. After 19 years and countless quarterly earnings calls, it has been a privilege to engage with you. As I hand over to Venk, I am truly pleased that we have someone highly technologically adept to lead the company through its next phase of digital evolution. You are in good hands.

With that, I bring this call to a close and hope that you will continue to be part of this exciting journey with the new leadership. Wishing you all the very best. Goodbye.

**Srinivas Palakodeti:**

Thank you, everyone.

**Vynsley Fernandes:**

Thank you. Thank you, everyone.

**Moderator:**

Thank you. On behalf of Hinduja Global Solutions Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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Note: This transcript has been edited to improve readability. For the sake of brevity, the edited version of the above content has certain abbreviations/abridgement of words and sentences.

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