

November 18, 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 November 11, 2025**

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This is in continuation to Q2 and H1 FY2026 Earnings Conference Call of Hinduja Global Solutions Limited held on November 11, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015, we wish to attach herewith the transcript of Q2 and H1 FY2026 Earnings Conference Call of the Company held on November 11, 2025.

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

Thanking you,

For **Hinduja Global Solutions Limited**

**Narendra Singh**  
**Company Secretary**  
**F4853**

Encl: As above

**HINDUJA GLOBAL SOLUTIONS LIMITED.**

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**Hinduja Global Solutions Limited**  
**Q2 FY2026 Earnings Conference Call**  
**November 11, 2025**

Key Speakers:

Mr. Venkatesh Korla, Global CEO, HGS

Mr. Vynsley Fernandes, Whole-time Director, HGS, and CEO of **NXT**DIGITAL Media Business

Mr. Mahesh Kumar Nutalapati, Global CFO, HGS

Mr. Rajiv Bhargava, Chief Financial Officer, **NXT**DIGITAL Media Group

**Hinduja Global Solutions Limited**  
**Q2 and H1 FY2026 Earnings Conference Call**  
**November 11, 2025**

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**Moderator:** Good evening, ladies and gentlemen, a very warm welcome to the Q2 and H1 FY2026 Earnings Conference Call of Hinduja Global Solutions Limited.

From the Senior Management, we have with us today Mr. Venkatesh Korla, Global Chief Executive Officer, HGS, Mr. Vynsley Fernandes, Whole-time Director, HGS and CEO of the **NXTDIGITAL** Media Business, and Mr. Mahesh Kumar Nutalapati, Global Chief Financial Officer, HGS.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touch-tone 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, sir.

**Anand Venugopal:** Thank you, Muskan. Good evening, everyone. Welcome to the Earnings Call of Hinduja Global Solutions Limited for the 2nd Quarter and half-year ended September 30, 2025.

Before we begin, I would like to highlight that some of the statements made during today's call may be forward-looking in nature. These statements involve risks and uncertainties, including those related to the company's future financial and operational performance. Additionally, in the unlikely event of a call drop during the conference, we will ensure the call is reconnected at the earliest.

I now invite Venkatesh sir to deliver the opening remarks. Over to you, sir.

**Venkatesh Korla:** Good evening, everyone. Thank you for joining the call. I appreciate you all taking the time.

Here's a quick update on our financial performance for Q2 and H1 of FY2026: Our Q2 total income was INR 1,222.9 crore, equivalent to USD 141 million. Operating revenue reached around INR 1,091 crore, or USD 125.8 million. Total EBITDA was INR 158 crore, about USD 18.2 million, with EBITDA margins at 12.9% in the second quarter of FY'26.

In the first half of FY'26, the total income was approximately INR 2,410.2 crore, equivalent to USD 277.9 million. Our operating revenue was INR 2,147.3 crore, or USD 247.6 million. Total EBITDA was INR 317.7 crore, or USD 36.6 million, with EBITDA margins of 13.2%.

Going to the next page. As you saw, we have been focused on maintaining and improving our margins. We are also shifting our focus and orchestrating the future. Our new vision and direction are centered on what we call '*Intelligent Experiences*.' Our vision is to be the most trusted partner for clients, driving global business transformation to create intelligent experiences.

When we talk about intelligent experiences, we see them as having two parts. Every time a customer connects with a brand, they typically have an interaction- we call this an intelligent interaction. These interactions usually come with a commitment to execute, deliver, or fulfill something for the consumer. That fulfillment process is an intelligent operation that happens behind the scenes. We see these two elements coming together as intelligent experiences because they combine an intelligent interaction with an intelligent operation, both typically augmented by AI and human talent to deliver a more predictable, consistent outcome for the end consumer. That is what we mean by intelligent experiences.

Our key pillars of focus for the road ahead are that we are very future-focused, creating forward-looking service offerings that drive better margins for ourselves and create value for our customers. It will be growth-oriented, with investments in sales and marketing, a move towards consultative sales, and a slightly different approach, leveraging vertical-focused strategies with this industry knowledge. We are also going to focus on driving a performance-driven team culture that rewards agility and adaptability in the industry.

We are also going to create diversity in our portfolio, where we will focus on multi-tower deals driven through consultative sales. And we are going to simplify our organizational structure, where we will create a leaner organization with reduced bureaucracy and higher rewards for the people managing these organizations as we go into the future. Finally, we are going to augment AI into every grain of our operations to be more efficient, more effective, and able to scale much more quickly.

With these pillars of focus in mind, the key update regarding our acceleration is that we are emphasizing sales and shifts in the revenue mix. In the first half, we closed 35 new client contracts. We are also seeing the pipeline shift towards more digital services and operations: 62% of our pipeline now leans in that direction. We have clarified our sector focus and are noticing more multi-tower deals across our three priority verticals: BFSI, consumer products and retail, and healthcare and life sciences. We're accomplishing this by leading with consultative sales. Additionally, we established a new team, the '*Global Partnerships and Solutions*,' dedicated to cross-functional collaboration and to integrating intelligent experience principles into client engagement. We leverage our vertical expertise by creating solutions that

can be deployed across clients, enabling us to generate consistent, repeatable revenue with higher margins. So far, we've developed around 12 solutions through co-creating with clients in high-growth sectors. Our efforts to pursue partnerships and acquisitions continue, as we explore opportunities to accelerate growth and enhance our margins.

We have also launched aggressive reskilling and upskilling programs within the organization to ensure our team members are knowledgeable about AI and how to incorporate it into their daily work. We have several upskilling initiatives underway. For example, we introduced a program called DigiRise, a specialized AI-focused training module that we are using to train our teams across the organization. With these acceleration efforts driving the business, we expect the EBITDA margin to reach the mid-20s over the next five years. Additionally, with the acceleration of new logos and sales, we anticipate more sustained growth, as 80% to 90% of growth typically comes from existing customers. As we acquire new customers over the coming years, we will be able to sustain growth through revenue from our existing customer base.

Some of the solutions that we've talked about include, for example, the *Cloud FinOps Navigator*. We see many customers concerned about their spending on public cloud infrastructure, especially as they deploy AI. Demand for public cloud infrastructure is rising, and costs are becoming uncontrolled. Some customers are exploring what we call *cloud repatriation*, moving back to physical data centers. We have developed a solution called Cloud FinOps Navigator, an AI-powered platform that helps them forecast, segment, and monitor cloud spending. It also has an interactive AI assistant that guides them on optimizing cloud costs, reducing expenses, and reallocating DevOps resources to other areas of spend.

And the other one we created is called an Anti-Money Laundering Lens, or AM Lens. It is an AI-driven fraud detection tool that agentically analyzes transactions, reduces false positives, and ensures human oversight. This is a BFSI-specific solution. And in fact, one of the customers that we have helped deploy this with has had significant early success, where they have been able to reduce false positives by around 60% and they have been able to increase the throughput of their team by 3x with the number of transactions they have been able to investigate for anti-money laundering.

We have created another solution called 'Interaction Intelligence,' which is more of a horizontal play. This was designed to transform QA, compliance, and coaching for contact-centric agents by leveraging AI-driven analysis of 100% of customer interactions to boost compliance, extract insights, and improve agent performance in real time. We have used this in parts of our business and are now rolling it out to the rest. We have seen that the time to proficiency for agents has been reduced significantly, from 10–12 weeks to 2–3 weeks. This is resulting in margins improving by over 30%.

From a healthcare caseworker standpoint, this is a healthcare-specific solution. We are working with some public sector healthcare clients, where we have streamlined patient intake and

documentation processes and assisted staff with intelligent automation, supported by human oversight to ensure accuracy.

So, all these are AI-driven solutions, where we have used our historical data and experience, combined with human talent and augmented AI and human talent, to deliver highly valuable, value-generating AI solutions for our customers.

In line with building consultative sales, we are repositioning ourselves by focusing more on educating our customers and prospects and by creating thought-leadership events. We held a large event in Chicago in September where more than 62 customers and prospects participated. It was a two-day event with roughly 50% existing customers and 50% potential prospects. We are seeing significant success from these educational events, where we bring together industry thought leaders, our own employees and team members, as well as customers and prospects.

While we are doing all this, we are also keeping our employees engaged and fostering a performance-driven, collaborative, and team-oriented culture. We have been recognized as a 'Great Place To Work' in four geos to date: the US, Canada, Colombia, and the Philippines. And we continue to drive employee engagement to create a very diverse, engaged, empowered, and growth-focused workforce.

So, I am going to hand it off to my colleague Vyns to talk about the digital media business.

**Vynsley Fernandes:** Thank you, thanks Venk, and good afternoon, everyone, and thank you so much for joining in the call today. I am going to start with Slide #13, which is a management commentary, and I hope everyone can hear me loud and clear. Tanuja, I am assuming everyone can hear me, right?

**Venkatesh Korla:** Yes Vyns, we can.

**Vynsley Fernandes:** Thank you. So, if you look at slide 13, there is no doubt that the media business continues to face challenges in India, whether from OTT, free dish, or free television services. But, against all those headwinds, to be fair, the entire digital media business has seen very strong performance in Q2. And this is due to various aspects we have implemented in the business. Some of them are optimization, while others are growth drivers for the broadband vertical.

So, if you look at the four points that have really driven us in this quarter, the first is that we've adopted a very accelerated, sales-oriented approach to wired broadband. We have looked to expand into Tier-3 and Tier-4 markets, and I have a slide that outlines the strategy we have adopted. So, I will not spend too much time on that.

Similarly, we have launched our IPTV (Internet Protocol Television) solution. I mentioned this in the Q1 call, if you recall, when asked about how we are going to build a flanking strategy for

DTV customers seeking a digital solution. CelerityX, our enterprise business, has continued to add some prestigious logos in Q2.

And as I started this call, I mentioned that there are cost-optimization initiatives. We are very happy to see that the cost optimization initiatives we initiated at the start of this fiscal year to address the challenging environment have already helped improve margins, and, as I said, the numbers are there for everyone to see.

I am going to go on to Slide 14 now. This is the big one for us. We have launched our Internet Protocol Television solution called One IPTV. We launched it in September, and we are quite proud of it because it provides customers with 650 television channels over the internet. So, suddenly, here is a single wire for our customers' home digital experience. Using a single wired broadband connection to the home, we provide television services with 650 channels. These are live television channels — the same television channels you would see with a cable TV connection — but they are now delivered over the internet and stream effectively. There are also value-added services built into it.

I think the biggest advantage for a customer of NXTDIGITAL DTV or One Broadband is that we offer combo plans. These combo plans are highly affordable because we have integrated our broadband and IPTV services. We are already available in 100 cities, and even as we speak today, we are rolling out in another 12 cities by tonight.

If you go to Slide 15, we actually had a pretty much house-full launch. We launched it at the Satellite Cable and Television 2025 event. It is the big trade show that happens every year in Mumbai, and we launched our product there. My senior colleague, Amit Luthra, whom you know, joined us in May as our Chief Business Development Officer. Our CTO, Jaideep, also delivered a session, essentially highlighting how, keeping in mind the HGS principles of innovation, technology, and a customer-first approach, those same principles are driving the next phase of our digital growth journey.

With the launch of IPTV, we now have one more product in our portfolio. After wired broadband, cable television, satellite television, wired HITS, and OTT, we now have IPTV as a strong product in that market.

Moving on to Slide 16. Our incredible sunrise performer, CelerityX. As you know, to give everyone a quick heads-up, CelerityX was established as the enterprise business division of our broadband vertical. The main goal was to leverage the infrastructure we have invested in and built, along with the teams and capabilities we have developed, to monetize it for the corporate sector.

In Q2 alone, CelerityX added several strong new logos. The most exciting progress is that we delivered over 3,000 high-speed broadband links in the last six months. This clearly sets the

stage for aggressive growth, as it is unique to our company and division. CelerityX offers a distinctive value proposition that we communicate to our customers: no one connects India the way CelerityX can. We stand by this promise.

Some customers have requested connectivity in remote areas, including the upper reaches of Sikkim and Uttarakhand, and even the Andaman and Nicobar Islands. We have provided connectivity to clients, especially banks, in these regions. While delivering connectivity across India, CelerityX has also expanded its profile to include managed Wi-Fi, cybersecurity, and disaster recovery solutions. These offerings are designed to meet the evolving needs of modern companies, which require reliable connectivity, security, and robust infrastructure.

The entire Hinduja Global Solutions portfolio supports these needs, enabling us to deliver the highest quality services and products that compete with the best in the market. That is an overview of CelerityX.

Moving on to Slide 17. I thought I would summarize some of the exciting things we have done in Q2. As I mentioned at the end of the Q1 call last time, we have been focusing on building an organization and integrated solutions. This is beginning to gain traction in Q2, and, of course, we will see acceleration in Q3 and Q4.

There are five key pillars that we have looked at. The very first pillar is that we have worked to develop and expand our services to 100 new towns across India. As you know, our digital television business, our HITS platform — the “Headend In The Sky” platform — covers about 1,800 cities and towns in over 4,500 PIN codes, and the entire broadband business is leveraging that connectivity, leveraging the connection with the platforms, partners, and customers there to expand to about 100 cities.

In the true spirit of the Hinduja Group Partnership for Growth, we are engaging micro-entrepreneurs to generate leads. We are creating a new national organization of entrepreneurs who will work with us to develop these new markets. This is on the retail and organic base.

In terms of CelerityX, as I mentioned earlier, we are continuously building a single-vendor solution stack. I will not spend too much time on it. This is something our HGS team and the CelerityX team are working on together to ensure a robust portfolio expansion, not just to increase stickiness with enterprise customers, but to provide them with a single-window approach to products.

In the strategic alliance partnership segment, which, as you know, was the mainstay of the broadband business, our SAP partners have continued to deliver on their promises. Revenues have been growing there with assured margins. In markets where we do not have reach, we are working to develop new strategic alliance partners. In fact, just in October — and we will



announce it formally in the next quarter — we have signed on two large SAP partners, and their onboarding is underway.

The fourth column on Slide 17 is called the BAGO initiative, which stands for Broadband Accelerated Growth Opportunities. What we realized is that there is an incredibly large opportunity: over 1,000, or close to 2,000, smaller independent service providers or internet service providers. The idea is that many of these providers are facing growth challenges and are looking for strong partnerships and relationships.

We have created this cell called Broadband Accelerated Growth Opportunities at the head office with a central team. We are evaluating products and potential deals — those that could help us accelerate in specific markets. By managing it through a central HO team, we can accelerate growth in those markets. This is the BAGO initiative we launched in Q2, and we have already closed certain deals. Much of the retail and organic growth will continue to be driven by the BAGO initiative.

On the organizational slide, which is our fifth critical pillar, we have continued to build a scalable, empowered tech and operations system. As our broadband business expands across the country, beyond 350 cities and into another 100 towns, it is very important to establish a quick, reciprocal troubleshooting mechanism to ensure faster resolution. We have been decentralizing many processes — one operational and the second technological.

As you know, Venk, my colleague, pointed out that HGS is clearly a leader in the tech space. We have the incredible opportunity to leverage our tech capabilities to build solutions that help our business, and our broadband business grow significantly, thereby enabling us to set industry benchmarks eventually. We believe that is happening, and it is on the right track.

With that, I am going to go to Slide 18. It is always satisfying to see that you are recognized, and as a company, we are recognized for the efforts we put in. Our broadband business won the OTT Entertainment Limited award at the prestigious BCS Ratna Awards in August. Our ISP has won the award for Best ISP Delivering in Rural India.

We always talk about how the Hinduja Group is very robust and very focused on digital inclusion and connecting the unconnected and underserved. I think this award for being the Best ISP Delivering in Rural India bears testimony to that, and we are quite delighted with it.

On the television side, we won the Innovative Technology Provider category. We have been able to provide solutions, and you have recently seen the IPTV solutions. We have OTT, which is the only HITS platform in the country, and all of that, put together, always gives us a technological advantage.

It has been a good quarter. It has been a good first six months of this fiscal, and we plan to continue where we have left off.

So, thank you, everyone, for that and your support. With that, I am going to pass the baton to my colleague, Mahesh Kumar Nutalapati, our Global CFO. Mahesh, over to you.

**Mahesh Kumar Nutalapati:** Thanks, Vyns. Good evening, everyone, and thank you for joining us today. We appreciate your continued trust and support as we share our performance for the quarter and provide insights into our strategic direction. Having said that, let me walk you through the financial highlights for the quarter. I am on Slide #20.

Revenue for the quarter stood at INR 1,091 crore, reflecting 3.3% growth over the previous quarter. On a year-on-year basis, it is a marginal 0.4% growth.

In the current quarter, depreciation expenses are INR 118.2 crore, compared to INR 128.3 crore in the previous quarter. On a year-on-year basis, depreciation has dropped from INR 133.2 crore to INR 118.2 crore.

Profit before taxes for the quarter is negative INR 14.1 crore, compared with negative INR 26.5 crore in the previous quarter and negative INR 40.7 crore on a year-on-year basis. This definitely reinforces the messaging both Vyns and Venk have been delivering about our transformation initiatives, driven by operational efficiencies and disciplined cost management.

Taxes for the quarter are at INR 12.9 crore as against INR 19.9 crore in the previous quarter, and on a year-on-year basis, they are fairly consistent at around INR 9.9 crore for a similar period last year.

Profit after taxes from continuing operations is negative INR 27 crore in the current quarter, compared with negative INR 46.3 crore in the previous quarter, and negative INR 50.5 crore on a year-on-year basis.

As mentioned earlier regarding PBT, we can see the impact of initiatives in a narrowing of losses, both quarter-on-quarter and year-on-year. Moving down, the total EBITDA is INR 158 crore, marginally down by 1.1% sequentially but up by 2% year-on-year.

Moving on to Slide 21, which is the balance sheet overview. We maintain a strong balance sheet with a total net worth of around INR 8,098.5 crore and debt of INR 1,254 crore, resulting in healthy gearing ratios. The net cash and treasury surplus is around INR 5,321.3 crore.

Regarding cash flows and cash, I can reassure you that we are maintaining a strong liquidity position and ensuring adequate working capital to support ongoing initiatives, as discussed in detail by both Vyns and Venk. This resilience underpins our ability to invest in growth while safeguarding financial stability.

Moving on to Slide 22, which is revenue composition. The left side of the chart shows revenue by source, with CX operations accounting for around 55% of our total revenue and digital and media services accounting for 45%. The right side of the chart shows the split by vertical. Tech, media, and telecom remain our largest vertical, accounting for around 52% of total revenue. CG & retail is at 20%, followed by BFSI at 19%. Health and life sciences, and other accounts, account for around 5%. Public sector revenue remains stable, primarily from the UK and Canada, and is mainly consistent with prior quarters.

Moving on to Slide 23, which covers revenue composition by origination and delivery locations. From an origination perspective, the chart on the left shows that India and Europe together accounted for around 39% of total revenue originations. The US contributed 29%, the UK 11%, and Canada, Australia, and others added up to 21%. From a delivery standpoint, 43% of total delivery was accounted for by India. Between the US and Canada, delivery stood at around 28%, while the Philippines accounted for around 13%, and the UK and others accounted for 16%.

Moving on to Slide 24. The left-side bar chart shows client concentrations. The chart highlights how well diversified our customer base is, helping to avoid or minimize any single-customer risk. Our top customer accounts for only 7.6% of total revenue, the top five customers account for around 21%, and the top 10 customers account for 29.8%. The right side of the chart shows the DSO performance. DSO for the current quarter stood at 61 days, compared to 65 days for the same period last year on a year-on-year basis. Better collections have contributed to an improved DSO for the quarter.

Moving on to Slide 25, which shows the details of H1 FY'26 compared with H1 FY'25. Revenue from operations is at INR 2,147.3 crore versus INR 2,179.1 crore, a marginal drop of 1.5% on a year-on-year basis. Reported EBITDA shows an expansion of 30 basis points from H1 FY'25 to H1 FY'26, increasing from INR 51.2 crore to INR 54.8 crore.

Profit before taxes stood at negative INR 40.6 crore for H1 FY'26, compared with negative INR 84.9 crore for H1 FY'25. PAT from continuing operations stood at negative INR 73.3 crore, compared with negative INR 107.5 crore on a year-on-year basis. As mentioned earlier, losses are clearly narrowing, reflecting the impact of the initiatives put in place over the years.

Total EBITDA shows an expansion of 6.5% from H1 FY'25 to H1 FY'26, rising from INR 298.3 crore to INR 317.7 crore.

This concludes the financial section.

So, before closing, I want to reiterate what both Venk and Vyns mentioned earlier: we continue to advance our digital transformation agenda. We are also looking to strengthen partnerships and explore selective acquisitions to accelerate growth in high-potential segments. Our

commitment to innovation remains unwavering as we invest in technology and talent to stay ahead in the rapidly evolving market. Having said that, I want to reiterate that our organization's commitment is to creating long-term shareholder value through sustainable growth and proven financial management. Thank you once again to all of you for your continued trust and partnership.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from Mandira, an individual investor. Please go ahead.

**Mandira:** Thank you for the opportunity. I have a couple of questions. So, last year, you mentioned AgentX as central to the AI-led transformation being rolled out across 20 BPM clients, with 12% QoQ user growth. Has the adoption sustained as you scaled, and is it tracking your expected trajectory?

**Venkatesh Korla:** Thanks for the question. The answer is yes. We have been able to reach 20 clients, primarily in North America. We are now moving on to deploy in the UK and the Asia-Pacific regions as well. That is the project for this year.

With AgentX deployed, we have seen sustained improvement in gross margins. In fact, it delivers an uplift of around 30% in gross margins. We have taken that uplift and invested it in additional sales teams and solution development. This allows us to fund our internal development without impacting the overall margin capability at the EBITDA level.

**Mandira:** Got it, sir. And secondly, has the revenue mix evolved as planned, and is the digital share of total revenue aligned with your five-year transformation roadmap?

**Venkatesh Korla:** Yes, it has. In fact, the pipeline is showing a very healthy digital pipeline. From a revenue mix standpoint, this year we were expected to get close to 50% of revenue from digital versus BPM, and we are starting to see that. We are pretty close — it is around (+/-1%) for this year, based on the trajectory we are projecting. So, we are seeing things roll out as planned.

More importantly, many of the new customers we have acquired are related to digital projects. Typically, customers we acquire through digital projects start with a smaller engagement. As they feel comfortable and build trust with us as a company and as a delivery partner, the scale grows. We anticipate that this will accelerate growth in digital revenues over the next few years.

**Mandira:** Got it, sir. Lastly, as part of your five-year AI transformation, covering all your margin optimization, GTM refresh, vertical solutions, and acquisitions, how do you envision the HGS architecture redesign to sell, build, deliver, and monetize value?

**Venkatesh Korla:** We see that as we progress into the future, we will be increasingly using an augmented AI model, where AI is combined with human talent to deliver services. Today, if you look at our BPM side of the business — not the media side, we can broadly divide it into three segments. One is where we provide technology services, and the other is where we provide the majority of our contact center and business process management services.

There is a new service segment evolving that we are calling digital operations, where we are combining technology capabilities, process management knowledge, and customer service and interaction knowledge into a single segment. We are calling it digital operations, where we will be able to take an end-to-end business process and re-engineer it by combining human talent with AI models tailored to that specific problem statement, creating an end-to-end business process execution capability for that business problem.

As we go through this exercise, our pricing models will evolve into outcome-based pricing, charging per transaction or per outcome with customers to create a sustained revenue base. Our margin profile for these projects will be much higher than typical labor-arbitrage levered margin models, as scalability is much greater and comes with a higher margin.

**Mandira:** Great. That was really helpful, sir. Thank you for answering the questions.

**Venkatesh Korla:** Of course.

**Moderator:** Thank you. The next question is from Smita Mehta, an individual investor. Please go ahead.

**Smita Mehta:** Hello. Thanks for the opportunity. I have one question on digital and media services. So, now it accounts for nearly half of the revenue, and with strong momentum in enterprise broadband and One IPTV, how do you see business conversions shaping your future operating model? For example, using a broadband backbone to enhance BPM delivery or leveraging the BPM relationship to accelerate media penetration?

**Vynsley Fernandes:** Yes. Thank you so much for your question. You are absolutely right. Way back when we became part of HGS, the objective was to leverage the digital capabilities and, as I would term it, the inherent field capabilities of NXTDIGITAL to work together. One great example is the product called OneX. This solution, which we rolled out about two years ago, is a digital solution designed jointly by the HGS and NXTDIGITAL teams to provide our enterprise customers with not just connectivity — because connectivity is a very pedestrian aspect — but also online dashboard management capabilities.

The solution has been designed in a way that, for example, if you are a bank operating in the most remote place, like the Andaman and Nicobar Islands, and you are using 100 Mbps of connectivity and suddenly need additional bandwidth or another solution, you can use the OneX platform to manage your link on your own. This has been a significant advantage for us

as we have worked to grow CelerityX. It has become a very critical component, and the entire CelerityX business is riding on technology integration across both platforms.

More similar products are being rolled out. As I mentioned, cybersecurity is another key area. HGS has developed incredibly strong cybersecurity products, enabling us to provide banks and corporates with a single-window approach. From a media perspective in India, these are the components we are focusing on, including SOC services.

I am going to bring in Venk here because he and I have been working very closely on building value for our customer base in India. Venk, could you talk about cybersecurity and SOC services? That would add value to the overall pitch.

**Venkatesh Korla:**

Sure, that is great. One of the things we have done is leverage the BPM capability to staff, manage, and monitor different types of services. We have created a centralized SOC that now services over 20,000 endpoints for some of our customers. We plan to expand this and offer it as an additional service alongside the business broadband capability offered through the media division, enabling us to provide endpoint security and alert business customers to any threats they may face.

We foresee that with AI advancing, more and more of these threats will continue to emerge. Cybersecurity management and information security management, especially endpoint security, will become even more critical. Our SOC facilities are gearing up to ensure that we can provide these services effectively to our customers.

**Smita Mehta:**

Thank you so much for the detailed explanation. It was really helpful. You also spoke about learner structures and reduced bureaucracy. Can you elaborate on where you will see the next wave of operational efficiency and how those will translate into margin accrual?

**Venkatesh Korla:**

Sure. One of the things we have been looking at is how business leadership was historically structured in each country. We are currently in 9 countries on the BPM side, and we have now divided them into three regions. The first is the Americas, which combines the US, Canada, Jamaica, and Colombia into a single region. The second is the UK, Europe, and Africa as another region. The third is Asia-Pac, which includes the Philippines, Australia, and India as one region.

We have created regional leadership roles, thereby reducing the number of individual leadership positions previously required. In addition, we have developed AI-based tooling to support much of our management team. This enables greater efficiency and ensures that as we scale, we have additional capacity to grow without adding incremental G&A to the organization.

**Smita Mehta:**

Understood. Thank you so much, and all the very best.

**Venkatesh Korla:** Thank you, Smita. Thank you.

**Moderator:** Thank you. The next question is from Aditya Jain, an individual investor. Please go ahead.

**Aditya Jain:** Thank you for the opportunity. I was trying to understand the cash flow. The EBITDA includes the interest income on the treasury as well. So, where are we deploying the cash flow from operations and interest income? So, there was an item repayment of the lease liability of around INR 600 crore in the last year. So, can you elaborate on exactly where the cash flow has been deployed? Thank you.

**Mahesh Kumar Nutalapati:** Thanks, Aditya, for the question. Yes. There are two aspects. One is the cash we are generating from operations. These cash flows are used for further operational requirements, such as facility consolidation and certain initiatives that we are undertaking. In those areas, the operational cash is being utilized.

The second aspect is the interest income we generate from the investments we have. If we do not see any immediate need for those amounts, we redeploy that interest income into further investments. Depending on operational flexibility and the interest income generated, we take a call on whether to pre-close the lease—purely for interest arbitrage—or to continue the lease and deploy the funds for further income generation.

**Aditya Jain:** Okay. So, what is the lease precisely? It is not the borrowings, right?

**Mahesh Kumar Nutalapati:** These are not borrowings. These are the assets that we take on a leased basis. And then certain kinds of rental premises are accounted for under the new Indian accounting standards. So, these get classified as lease assets.

**Aditya Jain:** What are lease assets? Like, what exactly is a lease asset?

**Mahesh Kumar Nutalapati:** One of the rental premises that gets classified as lease rentals. That is one lease asset. The second is that, for our media businesses, we take certain assets on a lease basis, such as desktops, set-top boxes, and so on. So, those things are classified as lease assets, and they are repaid as per the terms of the lease.

**Aditya Jain:** Okay. Thank you, sir.

**Mahesh Kumar Nutalapati:** Yes.

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

**Ranga Prasad:** Good evening, everyone. I have a few observations and a few questions for which I would like clarification. You talked about a drop in the PAT losses. I find that, to a great extent, this is due to FOREX gains. Please correct me if I am wrong.

Second, I find that the top line has been stagnant. Venk has spoken about improving the EBITDA margin from 13% to almost doubling it to the mid-20s. Would this be on a stagnant top line or an increasing one? The distinction makes a significant difference.

Third, while I am encouraged by the initiatives taken in the media division, I am somewhat concerned about the continuing losses. A few quarters back, they reported a profit of INR 10 crore, and this quarter, the losses are INR 38 crore. I am trying to understand what has led to this sharp increase in losses. Perhaps Vyns could expand on that.

Thank you.

**Vynsley Fernandes:** Good evening, sir.

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

**Vynsley Fernandes:** I will first request Mahesh and Rajeev to address the financial aspects. Mahesh and Rajeev, would you like to address the financial aspects?

**Rajiv Bhargava:** Okay. To explain, we have improved our EBITDA on a quarter-on-quarter basis. Quarter 1 EBITDA was negative INR 38.81 crore, and it is now negative INR 37.62 crore, reflecting an improvement of 3%. On a half-year basis, last year we had a negative INR 80 crore, and this year we are at a negative INR 76 crore, an improvement of 4.5%. Improvements are visible both quarter-on-quarter and on a half-year basis.

There are losses, yes, but the losses have narrowed because we have taken several measures. As Vyns mentioned during the presentation, we are focusing heavily on cost-control and cost-optimization measures. We are renegotiating aggressively with our input service providers, vendors, and various partners. This is why, across the board, our margins have improved quarter-on-quarter, and comparing Q2 of last year with this year, our margins have improved. All parameters are showing improvement both quarter-on-quarter and on a half-year basis.

Mahesh, would you like to add?

**Mahesh Kumar Nutalapati:** No, that is fine.

**Ranga Prasad:** The comment that I raised was, I thought the EBITDA losses, I am sorry, the PAT losses had come down mainly because of FOREX gains. Because if you compare the FOREX gains in the first half of this year to last year, I think they were much higher this year. Correct me if I am wrong.



**Mahesh Kumar Nutalapati:** I will take that up. You have raised a very valid point. FOREX gains are not the only factor contributing to narrowing the losses. They are certainly a factor, but not the sole reason.

There are two ways of handling FOREX fluctuations. One is to hedge and protect the bottom line, depending on your outlook. The other is to take a different position when you see the currency depreciating. That was one aspect.

The second aspect, apart from FOREX gains, involves operational efficiency levers and prudent cash planning, which are part of our five-year strategy. These two aspects, together, have helped narrow PBT losses.

**Ranga Prasad:** Okay. The second one concerned the stagnant top line. Do you expect this to continue with the margins improving, or do you expect the top line also to increase, along with the margin increase, and the EBITDA margin increase?

**Venkatesh Korla:** Yes. For the current year, we expect top-line growth, but not significant. It will be relatively moderate because we have rebuilt and reorganized the sales team and are focusing on improving efficiency and making the team more effective. One objective is to avoid scaling an inefficient operation. The priority is to make it efficient first and then scale.

By FY'27, we expect top-line growth to be more pronounced, with significant improvement. In addition, the margin improvements we are implementing now through the end of FY'26 will begin to show results in FY'27. As revenue grows, particularly as the revenue mix shifts more toward digital, the margin profile will also improve.

The 20%+ EBITDA margin target is based on both top-line growth and operational efficiency improvements. I will let Vyns answer the next question you raised. Thank you.

**Vynsley Fernandes:** Sir, you spoke about the initiatives that have been taken. You are absolutely right. We are working quarter-on-quarter. It is an incredibly strong headwind for the core business of digital television. We have, however, built flanking strategies, which are clearly reflected in the Q-on-Q EBITDA and top-line improvements.

The top-line improvement is largely due to broadband growth. The bottom line improvement is not only from input costs, as Rajeev pointed out, where we have been extremely focused — the appropriate term is that we have been cutting input costs to the bone to ensure the business remains sustainable and growth-oriented — but also from building a strong flanking strategy of products and solutions that contribute to the EBITDA bottom line. These have been the key initiatives on that front, sir.

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

**Vynsley Fernandes:** Thank you, sir. Thank you very much, sir.

**Moderator:** Thank you. The next question is from Rohit Patil, an individual investor. Please go ahead.

**Rohit Patil:** Hello. Thanks for the opportunity. I have a few questions. How do you see this client pipeline developing, especially for new digital and consultative offerings in the near term?

**Venkatesh Korla:** Could you repeat the question, please? I am sorry. I cannot completely get it.

**Rohit Patil:** Sure. How do you see the client pipeline developing, especially for new digital and consultative offerings in the near term?

**Venkatesh Korla:** Okay. The pipeline in the 30+ clients we have won business from this year shows that almost 50% of it is digital-related. Approximately 62% of the current pipeline, which is expected to convert into actual business over the next year, is in digital and consulting services. This reflects significant growth, especially considering that a year ago, only around 30% of our pipeline was in digital services. The growth momentum is clearly accelerating.

Having said that, digital projects typically begin with smaller engagements, particularly because we are focusing on AI-related projects. Customers usually start with a smaller scope until they feel comfortable and gain clarity on what they want to achieve. These smaller engagements then evolve into larger, recurring revenue opportunities with a broader footprint.

**Rohit Patil:** Okay, noted. Next question: With gross treasury plus cash at INR 6,575 crore and minimum debt, what near-term capital allocation decisions and infrastructure rollout are likely in the next quarter? Next two quarters, actually.

**Mahesh Kumar Nutalapati:** Rohit, are you looking for capital allocation for the next quarter or the next two quarters?

**Rohit Patil:** With a cash of INR 6,575 crore or minimal debt on the books? On that basis, how do you look forward to that?

**Mahesh Kumar Nutalapati:** As I mentioned, we are looking for certain strategic partnerships, and we are also looking for any plan or potential acquisition target that will help us grow our business and acquire new capabilities. As and when we get any opportunities, we will definitely invest cash on that.

**Rohit Patil:** Okay, that is it from my side. Thank you so much.

**Mahesh Kumar Nutalapati:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, as that was the last question for the day, I will now hand the conference over to the management for the closing comments. Over to you, sir.

**Venkatesh Korla:** Everybody, thank you once again for joining the call, participating, and being very inquisitive about our business, and for asking some really intelligent questions. We will continue to build

the business to be more digitally focused with higher margins. This year, our focus is on improving efficiencies and strengthening margins. Once we achieve our objectives in this area, the next step will be to focus on driving sustained, highly profitable growth. That remains our priority.

Vyns, if you could add your comments related to the media business, that would be great.

**Vynsley Fernandes:** Sure. Mahesh, do you want to go first, and I can round it off?

**Mahesh Kumar Nutalapati:** Nothing specific, Vyns. I think Venk has covered it lately. I want to reiterate our commitment to the organization in creating long-term shareholder value through sustainable growth and prudent financial management.

**Vynsley Fernandes:** Thank you, everyone. We have been facing headwinds, and we continue to address them head-on. The organization's resilience is best reflected in the numbers, which always tell the story. The top line remaining robust and consistently growing, along with the bottom line moving in the right direction, reflects both organizational resilience and the company's focus on technology and innovation, as Venk rightly highlighted.

Thank you once again. I would like to conclude by conveying, on behalf of the Hinduja family and our Chairman, Ashok P. Hinduja, and his family, our gratitude for the condolences that poured in on the sad demise of G.P. Hinduja. He was an incredible icon who played a significant role in all our businesses, and HGS is no exception. We thank you all on behalf of the promoter group, the promoter family, and the board for your condolences.

Thank you, and good day to you. I will now hand it over to the moderator.

**Moderator:** Thank you, sir. On behalf of Hinduja Global Solutions Limited that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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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/abridgements of words and sentences.

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