## Management Discussion

**Anand Venugopal - Investor Relations, Adfactors PR**
Thank you, Rutuja. Good evening, everyone. We welcome you to the Q2 and H1 FY 2027 earnings call of Hinduja Global Solutions Limited. Before we begin, I would like to highlight that some of these 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, Venky sir.

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Good evening, everyone. Thank you for joining us. I hope you had a wonderful Diwali. I will spend the next few minutes on our performance this quarter and some of the changes we are beginning to see underneath the numbers. HGS has been through a period of significant transition. What is encouraging today is that we are seeing progress in 3 areas. The underlying business is showing healthy momentum. The profile of opportunities we are pursuing is becoming more strategic. And the capabilities we are building are beginning to show up in real client engagements.

And on slide 4, snapshots of HJS financial performance. So let me start off with the Q2 FY27 performance. We saw sequential improvement across the key metrics. Revenue from operations increased 2.5% quarter on quarter to Rs 1,076.2 crores. Total income grew 1.1% to Rs 1,214.5 crores, while total EBITDA, which includes other income, increased 36.5% to Rs 158.8 crores. Total EBITDA margin improved by 339 basis points sequentially to 13.1%. Our reported performance continues to reflect the portfolio transitions.

We have discussed previously. The more important indicator for me is the underlying business itself. On a comparable basis, the continuing business delivered high single-digit growth with newer engagements ramping up, and we continue to improve our delivery efficiency. There's more work to do though. But the direction is encouraging. The business we are taking forward is healthier and gives us a stronger base to build on. On the next slide, the opportunity profile. The opportunity profile itself is shifting.

Beyond the quarterly numbers, we are seeing an important change in the profile of work coming into HGS. Our pipeline is at historically strong levels, but it's not simply its size. It is the nature of the work. We are increasingly participating in large pursuits, more technology-led transformation programs, and mandates that bring together multiple HGS capabilities. Clients are not necessarily looking for one service or one platform. They're increasingly looking for a client partner who can understand the business problem, bring together the right capabilities, and remain accountable through delivery.

It's all about outcomes. We're also seeing broader conversation within our existing relationships. Opportunities that may have started around CX are increasingly opening into digital transformation needs. And vice versa. This matters because some of our best growth opportunities are with clients who already know us and trust our ability to deliver. We established our Middle East business in Dubai last quarter. UAE is an $8.2 billion BPO/IT market. Expected to grow 12% a year until 2030. We see a lot of potential for AGS in this market.

We have already won our first digital operations client and are seeing healthy early interest in the market. We are also strengthening across various regions access to public sector opportunities

through established procurement frameworks, including the UK's G Cloud 15, and Canada's Schedule Procurement Group, making it easier for government organizations to engage HGS across cloud, AI, enterprise platforms, and digital transformation. So this is not simply about having more opportunities. It's about having larger, more strategic mandates that are increasingly becoming part of HGS's growth mix.

Great. Moving on to the next slide, which is recent wins that provide proof of this shift. So let me make this change more tangible with a few examples. Earlier today, we announced a multi-year, multi-million dollar engagement with Rackspace Technology, a global cloud and AI infrastructure company. The mandate spans site reliability engineering, cybersecurity, and product development. It is a good example of how HGS is taking on complex global technology delivery well beyond the traditional single-service engagement.

In Canada, we have been selected for an embedded consulting and FD engagement within a longstanding public sector relationship. This brings HGS into clients' change journey at an earlier stage. Helping shape the solution by combining operational knowledge, digital capabilities, and on-the-ground execution. We've also been appointed as an approved supplier under a leading Canadian public sector procurement framework, Keno, for ERP implementation services. The framework provides municipalities and other eligible public sector organizations with a simpler route to engage HGS.

While creating opportunities for us to support broader transformation needs. For a global packaging manufacturer, we have expanded an existing technology relationship into a commercial AI agent initiative that helps teams access trusted business information and insights more easily. Importantly, this is designed as more than a single use case. It creates a foundation for an AI factory-style model where we can progressively build, govern, and scale traditional AI solutions across enterprise. At a major government digital identity service, we have developed and deployed a self-hosted knowledge-grounded AI assistant within a high-volume citizen support operation.

The solution automates Appropriate account access and identity queries while retaining human escalation for more complex interactions. In another government engagement supporting regulated cross-border trade, we have embedded intelligent self-service and agent support capabilities into the operating environment. The solution helps businesses access relevant policy guidelines, And get guidance more quickly while retaining human escalation because the environment is regulated and the cost of getting an answer wrong is higher.

These 6 examples are different types of engagements, but the common thread is key. HGS is participating more deeply in technology delivery, client transformation, and AI-enabled operations. And as we look to the future, we seem to see this more and more often, where both operational and AI excellence and technology integration capability are coming together. Now, looking at the next slide, which is AI is changing how HGS delivers. So, the examples I talked before lead naturally into how we think about AI at HGS.

Our view is quite simple. Automate the transaction and humanize the interaction. There's a significant amount of work in customer operations that does not need a person to perform it manually every time. Routine inquiries, information retrieval, transaction processing, and repetitive tasks can increasingly be handled through intelligent automation. This can improve productivity, reduce resolution time, and deliver greater consistency. But not every interaction is simply a transaction. When customers need judgment, empathy, context, or an exception to be handled, the human role becomes more important, not less.

That is why our model is not AI only. We combine agentic AI with the domain knowledge and human in the loop. The balance may vary by process, but the principle remains the same. Apply automation where it creates economic and operational value, and use human expertise where it improves the experience or makes the decision more reliable. This is also consistent with what we had We heard directly from our clients at a recent Build for the Future event in Chicago. There's clear appetite for using AI systems, but trust, transparency, and the ability to retain human control become more important as the complexities and stakes increase.

This is what we mean by intelligent experience in practice. Moving on to the next. How are we investing to bring Hedges a new growth engine? Supporting this shift requires us to be quite deliberate about where we invest. The first area we're investing is domain and delivery expertise. As client requirements become more complex, technology skills alone are not enough. We need teams that understand the industry, the underlying business processes, and the client's operating environment. That is why we are strengthening our consulting and solution capabilities and building more embedded, forward-deployed ways of working across CX and digital.

Now, the second area is solutions and IP. We already have multiple solutions deployed in client environments. With additional solutions in development. Our focus is increasingly on building reusable capability around real client problems so that we can take what works in one environment, refine it, and deploy it more quickly elsewhere. This allows us to shorten solution development cycles and then build a more scalable portfolio that has potential for nonlinear growth. The third area is our strategic tech partner ecosystem.

Many of our enterprise clients already operate on platforms from companies such as Microsoft and Databricks. Third, we are investing in deeper capabilities around these technologies so that we can support clients across cloud, data, and AI as they undertake broader digital transformation programs. Especially the Rackspace relationship is interesting as we have been able to bring their infrastructure capabilities for AI to provide sovereign AI capability for our customers. At the same time, we are also building relationships with specialist AI-native tech companies.

The objective is not to build every component ourselves, but to work with them in areas where they can help us solve a client problem faster or better. We bring their technology together with HGS's domain knowledge and deliver experience to create the right solution for the client. Moving to the next, our priorities for sustainable growth. So what are our priorities for the next few quarters? That's a big question everybody has. First, we need to ramp newer client engagements. Winning business is only the first step.

The value comes from those engagements and as those engagements move through implementation, stabilize, and begin contributing at scale. Second, we need to deepen our existing client relationships. We have made progress on cross-sell, but there's still significant headroom. Where we have earned trust in one part of the business, we should be able to bring a broader set of HJS capabilities to the client. Third, margin improvement remains a clear priority for us. As newer engagements ramp and the business mix evolves, we need this growth to translate into stronger profitability.

Finally, we need to continue building an AI-native workforce. This isn't simply about learning individual tools. It means strengthening domain knowledge, AI fluency, consulting and solutioning skills and creating a mindset that combines technology with operational rigor and understanding. So to summarize, we have spent the last few quarters reshaping HGS. You have seen us as a different kind of company today. We believe the company is in a better place today with a healthier

underlying business, newer engagements ramping, and access to larger, more strategic opportunities.

Our priority from here is straightforward: convert pipeline into revenue, stronger client relationships, and improve margins. This is how we intend to rebuild the growth and profitability profile of HGS and make it more resilient. Before I hand over to Vince, a quick word on digital media business. Broadband continues to show good momentum across retail and enterprise, while Project Ganga is beginning to scale and expand our reach into Uttar Pradesh. On DTV, we combine- we continue to navigate the structural changes in the industry with a strong focus on cost optimization and managing the business responsibly.

Vince will now take you through the progress across the media business in more detail. Thank you, and over to you, Vince.

**Vynsley Fernandes - Whole Time Director and Chief Executive Officer of NXTDIGITAL, Hinduja Global Solutions Limited**

Thanks. Thank you, Venky, and thank you everyone, and hope you all had a wonderful Diwali, and wishing all the best for the new year to you and your families. I'm on slide 11, which is the management commentary that Venky was alluding to in terms of where we stand today. And if you look at it, we're quite happy with the progress that the broadband vertical has made. Broadband, as you know, is pretty much a sunrise industry. And as digital inclusion increases, broadband proliferation will continue to grow significantly because even as you know, with over 300 million households, barely about just over 50 million households still connected with wired broadband.

So we've already seen traction of about 8% growth in revenues in H1 of this year, and the subscriber base has grown by 6% during the same period, which shows clearly that there is a focus on high ARPU customers. Project Ganga, which you'll all know, is a project that we are executing on behalf of the State Transformation Commission of the government of Uttar Pradesh and is a digital inclusion as well as a social transformation project. It just- it was signed in June, and in barely any time we've already operationalized 16 networks, and I'll talk about it a little more on the next slide.

The challenge, there is no doubt, the media business continues to face profitability pressures because traditional digital cable TV is in fact a declining industry globally, not just in India. Experiencing a much broader shift. If you look at it, just you yourself as consumers move towards online streaming, a reality where every single industry player is facing significant subscriber churn and headwinds. But we have strategies to address that. Cost optimization is just one of those strategies. Broadband inclusion or broadband upselling and cross-selling has become a critical part.

Because there is a significant base of digital television customers that can be connected with broadband. And of course, more importantly, the industry, we are looking to compensate it with the significant growth in broadband as we continue to see. So with that, I'll go through slide number 12, which talks about Project Ganga. And this is an update as of 14th November. It keeps changing every day, so I've had to stop it at 14th November. It's quite incredible. If you recall the last board meet- the last investor call, we were still on the training modules, training operators to become entrepreneurs, to become digital service providers.

As of date, we've trained over 1,221 applicants and we've got over 4,000 applicants today. And 355 of these trained applicants have filed their application with CMUA for securing their loan, which is, as you know, it's an interest-free, collateral-free loan from the Government of Uttar Pradesh in its endeavor to ensure digital inclusion and social transformation of creating a new breed of

entrepreneurs. To connect all of Uttar Pradesh including urban, semi-urban and rural areas. And 40 such loans have already been approved with 16 digital service providers are already live.

And that is significant because in no time literally they've been- these are first-time entrepreneurs, all these, right from the 1,221 trained to the 16 that have gone live. Are completely first-generation digital service entrepreneurs, and they've already secured 200 paying customers, which we're seeing significant momentum. If you look at the achievement, what's really interesting is that 85% of these evaluated applicants qualify. So that shows the strong demand for becoming a digital service provider.

And if you look at the momentum, We already have, even as we sit today, 835 document-ready applicants ready to go through the next process for securing loans and moving on to become a DSP, while 2,500 have qualified for training. If I go to slide number 13, you'll see the marketing activity that's already taken off and the branding. The product is that we are marketing to customers with the DSPs is called Ganga Fiber. Um, it is the- there is a plan that has been tailored basis significant research for every single customer need.

So if you look at Ganga First, it is to ensure that, uh, you know, households that may, um, that, that require, you know, connections with reliable connectivity as well as entertainment levels sign in for Ganga First. There's a product called Ganga Pro. If you look at the 4th block, it's to help small and medium businesses, as well as if you look at Ganga Elite, which is for larger-sized businesses- well, small to medium businesses, but more at the medium end of the spectrum. And prices start from Rs 399 per month, which includes GST.

And it's very interesting, and this is where I talk about the cross-selling of digital television as well. Um, 100 television channels are available to customers on every single plan. In addition to that, they can opt for other packages as well of television networks which will- pay television channels which will start shortly. So that's on Project Ganga, which has seen a lot of traction in the last couple of months itself. With that, I go to the broadband KPIs, which I thought would be very interesting.

As I mentioned, the revenues are up by about 8% year-on-year in H1 of this year. But the best part about it is all the lines of business- retail, strategic alliance partners, CelerityX, which you know is the enterprise business unit, and even our subsidiary One Seven Star- have registered growth. And that bodes very well for us. And the 3 blocks, the 3 graphs indicate the change in share of base. So if you look at it, the positive aspect is the entry pack which is 0 to 30 Mbps, is now down by about 4.9%, which is a good thing because it means customers are now opting for the higher-end packs.

If you look at the adds that have happened or the customer conversion and you simply look at the 101- the greater than 100 Mbps pack, that has risen to about 13.5% of the base. From about 10.4% last year. And the entry level has been, you know, brought down significantly from 23.7% to about 18.8%. And the tenure as well is really important for us. We're focusing more and more on long-duration recharge. What does that mean? It means simply that we're encouraging customers to opt for longer-duration packs.

And that is a reflection of the quality of service, where they're happy with the service, happy with the pricing, and willing to stay on longer. And the last graph is that the churn has been controlled significantly. Churn is the customer base that you lose for a whole bunch of reasons. We've kept on bringing that down quarter after quarter. And if you look at Q2, very, very clearly there's a much stronger subscriber base. And to summarize, customers are buying faster plans, they're sticking with their plan tenure, and they're churning less.

So there's a lot of upgrading we're seeing, there's a lot of commitment. In fact, these are the 3 KPIs that we look at, which is upgrading- if you look at the bottom of the, just below the graphic, the upgrading- the commitment, where long duration recharge is up 5% year on year for 3 months back. And if you look at their staying of their, their customer experience with us, there's a significant, significant reduction in churn, which obviously gives us a significant level of comfort. With that, I'm happy to hand charge to my colleague Mahesh Kumar Nuttalla-Patti, who's our global CFO.

Mahesh, over to you please. Thank you.

**Mahesh Kumar Nutalapati - Global Chief Financial Officer, Hinduja Global Solutions Limited**
Thank you, Vince, and good evening everyone. I hope all of you had a wonderful Deepavali and wishing you all and your family a very happy New Year. I will walk you all through the financials for the quarter and the half year. And just to relate to what both Venky and Vince has mentioned so far, I think this quarter is showing a sequential improvement with healthy underlying momentum and continuing business growing high single digit on a comparable basis. Newer engagements ramping and delivery efficiencies improving.

And as also Vince just mentioned about broadband revenue up by around 8% in H1 on a 6% larger subscription base. And Project Ganga is live with 16 networks and definitely the focused cost discipline on the DTV side. These are all measures which just- Right. Vince has mentioned will be reflected in our financials. The underlying message, or the theme of the presentation, is that we are on the path of sequential recovery. Expansion in total EBITDA margins, which includes other income, moved from 9.7% in Q1 to 13.1% in Q2.

We will be covering that in detail in the subsequent slides. And H1 still carries- if you look at the H1 financials, that still carries the portfolio transition that we have discussed. Balance sheet is steady and operating cash flows remain healthy. You have generation from operations of cash of $108.4 million in H1. And just as a recollection, as we said, in FY26 was our best year of new signings. I think 79 new logos across BTM and digital and HR operations, which has set us up for a better FY27.

And Q1, we have added additional 27 new logos. So Q2 is, is the step towards gaining momentum. Now let me walk you all as to how all of that comes through in the numbers, the balance sheet and the cash. So moving on to slide number 16. Revenue from operations is at Rs 1,076.2 crores, up 2.5% sequentially and down 1.4% against year-on-year basis. And as Venky said or mentioned in his presentation, the continuing business grew high single digit on a comparable basis. The reported, uh, year-on-year number is lower because of the portfolio transition that we discussed earlier and which is still flowing through.

And from a cost and efficiency perspective, operating expenses came down to Rs 1,055.7 crore from Rs 1,084.9 crore in Q1, a reduction of about Rs 29 crores, while revenue went up by Rs 26 crores. So that is the delivery efficiency which We just referred to, and the DTV cost optimizations which Vince also described is consistent with this trend. Though we had some non-recurring expenses in Q2 owing to the client transitions and runoffs that we mentioned in our business segment by Vinek, and which we expect not to be recurring at the current levels in the coming quarters, thus helping us to better the course.

And moving on, other income and the total income and EBITDA line items. So total other income was at 138.3 crores, lower than Q1 of 150.8 crores and higher than last year's, uh, which is 131.9 crores. Total income, uh, which is revenue from operations plus other income put together, is 1,214.5 crore, up 1%, around 1% quarter on quarter. And total EBITDA including other income is at Rs 158.8 crores,

up 36.5% quarter-on-quarter and 5% year-on-year. The margin is at 13.1%, which is up 339 basis points from 9.7% in Q1 and ahead of 12.9% a year ago for similar period of Q2 FY26.

And if you look at the below EBITDA line items, depreciation is at Rs 117.5 crores. Down from Rs 123.6 crores. Interest expenses at Rs 50.9 crores, up from Rs 45.5 crores in Q1 and below Rs 53.8 crores of last year. Loss before tax narrowed sharply, and I think we are right now looking at a loss of Rs 9.6 crores from Rs 52.8 crores in Q1 and Rs 14.1 crore a year ago. PAT is a loss of Rs 12.4 crores against a loss of Rs 66.3 crore in Q1. And 27% growth in Q2 last year. In Q1, we said that we would be staying disciplined on execution.

I think this quarter's step-up comes from lower operating cost on a higher revenue. So moving on to the next slide, which is slide number 17, which gives us a comparison of half-year of FY27 versus half-year of FY26. And for the half-year of FY27, Revenue from operations is at Rs 2,126.5 crores against Rs 2,147.3 crores last year, down 1%. And total income is at Rs 2,415.6 crores, which remained more or less flat. Total EBITDA is Rs 275.1 crores against Rs 317.7 crores, down 13.4%. And margin is 11.4% as against 13.2%.

This is almost entirely an effect of Q1. I think in Q1 we were at 9.7% dividend, Q2 recovered to 13.1%. So if you look at it, Q2 on its own, we are at 13.1%, which is back to closer to 13.2% what we delivered in H1 last year, and which is the direction that we would like to carry into H2. Looking at line item-wise, operating expenses rose to Rs 2,140.5 crore from Rs 2,092.5 crore. We had non-recurring expenses in H1 owing to the transitions and runoffs that Frank has mentioned, and which we expect not to be recurring at current levels in H2.

And that's helping us to better the course. And depreciation is at Rs 241.1 crores against Rs 246.5 crores. Interest expenses fell to Rs 96.5 crores from Rs 111.7 crores. Total other income grew 10% to Rs 289.1 crores from Rs 262.9 crores. And loss before taxes is at 62.4 crores against 40.6 crores, and taxes at 16.3 crores against 32.8 crores. PAT from continuing operations was a loss of 78.7 crores against a loss of 73.3 crores. One important point to notice is last year's H1 includes 57.5 crores of profit from discontinued operations, and that is why the total PAT moves from a loss of Rs 15.8 crore last year to loss of Rs 78.7 crore this year.

On a like-for-like continuing basis, the difference is much smaller. Look at it, Rs 73.3 crores against Rs 78.7 crores. And as both Venky and Vincent mentioned, I think broadband grew revenue 8% H1, which supports the base. And H2 levers are the ones which Venky has listed in his presentation. This is ramp newer client engagements, deepening existing accounts, and improving margins through healthier business mix. This is the view of H1, the path that we have outlined in our earlier calls as well. And moving on to the next slide, which is slide number 18, which gives us a snapshot of the balance sheet for HGS as of 30th September 2026.

Total assets are at Rs 11,582.5 crore against Rs 11,563.6 crores in March. Balance sheet is very much stable and healthy, and total equity is Rs 8,447.3 crores against Rs 8,436.1 crore. On an equity base, that is about 73% of the total assets. Fixed assets and leases are at Rs 1,331.1 crore, moved from Rs 1,392.1 crore, which is depreciation. I can say that depreciation is outpacing additions. So this is a result of the prudent prudent CapEx management without compromising on any of our growth levers. Intangibles are at Rs 1,506.8 crores against Rs 1,521.6 crores.

Financial assets, which includes investments, loans given, and bank balances, which are split into 2 categories- non-current and current. So non-current financial assets are at Rs 81.9 crores, and current financial assets and others includes are at Rs 6,445.5 crores against a balance of Rs 6,177.5 crores. Cash and bank balances are at Rs 528.1 crore against Rs 568.9 crores. Trade receivables

have come down to Rs 800 crores from Rs 871 crores in March. Moving on to the liability side, total borrowings are at Rs 1,406 crores between both non-current and current against Rs 1,294 crores in March.

Trade payables are at Rs 398.6 crores against Rs 351.2 crores, and other current liabilities are Rs 819 crores Against Rs 980 crores. DSO is at 60 days against 61 days in Q2 FY26. We'll be covering a bit more detail in subsequent slides to follow. And other equity includes non-controlling interest of Rs 102.4 crores as of September 26th. Moving on, the next slide is the cash flow statements for 30th September 2026. So one thing that we need to be on this particular slide is that The first column is for 6 months up to 30 September '26, and the second column is for full year, 31 March '26.

So these 2 are not like-to-like, but we can look at it from a direction perspective and not from the size perspective. So cash from operating activities was an inflow of 108.4 crores in H1, and for the full year FY26, it was an inflow of 412 crores. So operations are generating cash in both the periods. Profits before taxes was a loss of Rs 68.4 crores in H1 against profit of Rs 75.7 crores in FY26. And non-operating adjustments, mainly non-cash items such as depreciations and others, were Rs 149.4 crores in H1 against Rs 631.1 crore in FY26.

And change in operating assets and liabilities was a small inflow of Rs 5.7 crores against an outflow of Rs 256.8 crores in FY26. And working capital absorbed cash and income taxes were net- income taxes were a net inflow of Rs 15.7 crores in H1 against Rs 37.4 crores in FY26. Net cash used in investing was Rs 31.5 crores against Rs 137 crores in FY26 and CAPEX at Rs 81.9 crores, partly offset by Rs 50.4 crores of net inflow from treasury investments. Financing outflow was Rs 169.5 crores, interest paid Rs 84 crores, and lease liabilities and borrowings at Rs 65.3 crores and dividend of Rs 20.2 crores.

The dividend follows the final dividend recommended at our June results. Next position, there is a decrease in the cash of Rs 92.6 crores in H1 against Rs 235 crores in FY26. After a positive exchange rate effect of Rs 51.8 crore on opening cash of Rs 568.9 crores, I think our closing cash balance equivalents are Rs 528.1 crore. And this ties back to the cash and bank balances that is presented in the balance sheet. So the key message that we looked at is that operations definitely generated cash in H1 even with a pre-tax loss.

CapEx was measured and the cash outflow for the half year was driven by financing interest, lease, and borrowing repayments and dividends. So as mentioned by both Vince and Venky, I think the self-funded operations and measured CapEx gives us room to invest in growth engines, domain and delivery solutions, and IP and the partner ecosystems, and also supporting the expansions in broadband and Project Ganga. Moving on, uh, the next slide is, uh, The operating revenue composition by source and vertical.

CX services contributed 54% of revenue and digital and media services at 46%. There's a good balance between our traditional strength in customer experience and the digital and media businesses, which includes the digital media business. And looking at by vertical, TMT remains the largest vertical at 45%. CDN retail is at 21%. BFSI is 15%. Public sector at 10%. Health and life sciences 3%. Public sector at 10% connects to the increasing public sector access theme and the Canadian Public Services approved supply framework that Frank has highlighted.

BFSI is where several of the package solutions we introduced in June fit, such as Aim Lens, KYC Vision, or Loan Flow. And the larger, much multi-tower technology-led mandates that Frank described should deepen in the mix in the coming quarters as engagements ramp up. Thank you, Saurabh. And moving on, the next slide is operating revenue composition by origination and

delivery. So at origination, India is at 39%, US at 29%, UK 17%, Australia 7%, Canada is 3%, and others 5%. And by delivery location, India is at 46%, Philippines 15%, US at 15%, UK 14%, Canada 3%, others at 6%.

And And on the market, which I think what Venky has mentioned in his presentation, the Middle East buildout and our presence in established markets in Q1, we have incorporated as HGS MENA IT Consulting LLC in Dubai to build technology and consulting capability. But it is now part of the others bucket for now. Canada is small today, 10%, but approved supplier framework for Canadian public services is a meaningful door opener. And the Indian originations includes the broadband and the media business that Vince has described, including Project Ganga, Uttar Pradesh.

And as we mentioned earlier in our Q4 and Q1 calls, that there is a shift towards multi-tower outcome-based deals. And the broad delivery footprints across India, Philippines, and the rest is what allows us to price and deliver those deals competitively. So moving on, DSO is at 68 days in Q2 FY27, as against 61 days in Q2 FY26. As I just briefed in the balance sheet, the receivables have come down to Rs 800 crores from Rs 871.8 crores in March. So the DSO computation- increase in the DSO is more of a ratio effect than not a buildup on the balance sheets of the receivable balances.

So collections remain a priority, and we are ensuring that none of the collections remain overdue than a reasonable time. That we agree with the customers due more than overtime. And on client concentrations, I think our top customer is 4.6% of revenue. The top 5 are 17.1% and top 10 are 26.1%. Well-defined, well-diversified base with no single client dependency. To summarize, sequential recovery in total EBITDA to 13.1%, lower costs and higher revenue, steady balance sheet, and a positive operating cash flow for the half year.

Excellent numbers still reflect the transition that we discussed. In H2, we will focus on the 4 priorities that Frank has outlined: ramp up new engagements, deepen existing clients, improve margins through a healthier mix, and enable an AI-native workforce. Thank you, and over to the moderator.

## Questions & Answers

**Operator**
Thank you very much Ladies and gentlemen we will now begin the question and answer session [Operator Instructions] First question is from the line of Jimith Mehta from Mehta Investments Please go ahead.

**Jimith Mehta - Analyst, Mehta Investments**
Hi, sir. Good evening. Am I audible?

**Mahesh Kumar Nutalapati - Global Chief Financial Officer, Hinduja Global Solutions Limited**
Yes, you are. Yes.

**Jimith Mehta - Analyst, Mehta Investments**
Yes. Thanks. Okay, sir. Thank you for this opportunity. So my first question is on technology. So as SGS increases its focus on technology-led and higher-value engagements, does the management expect the overall business mix to become more favorable from an earnings quality and profitability

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
I can take that, Mahesh. So the answer is yes. It's going to take some time. Right now we are investing heavily into the technology side, meaning building organic skills and internal skill set capability. But as time progresses and we gain the customer trust in our technology transformation and deployment abilities, Over the next upcoming quarters, over the next few quarters and the next financial year, we expect the mix to change. And that should definitely improve profitability and the revenue also.

**Jimith Mehta - Analyst, Mehta Investments**
Okay, sir. Understood. That's it from my side. Thank you.

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Thank you.

**Operator**
Thank you. Next question is from the line of Manan Dalal from Dalal Family Office. Please go ahead.

**Manan Dalal - Analyst, Dalal Family Office**
Hi, thank you for the opportunity. So sir, my question is regarding like, Edgy has delivered a higher single-digit comparable growth in this quarter despite the ongoing portfolio transitions. So what are the key business areas contributing to this performance and how does management see these opportunities evolving in the further quarters and years?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Mahesh, I'll take that and you can jump in. Yeah. So, you see, we have- if you all remember the last quarter, I talked about in the prior year we had closed around 70+ new logos, 79 new logos to be precise. And anytime you start off in a new customer, especially in a new service area, which HJS has not typically been a player of in the past, which is in the technology and digital services and AI services space, it takes time to gain the trust of the customer to drive expanded growth. Typically, it starts off with smaller footprint revenue.

And over time we expect it to be. That is what is starting to show now. And although it may not be a straight line, in the long term we expect that it will continue to drive growth. Because those existing customers are starting to see the results and the value that Hikvision is able to create as compared to the other service providers they have. And as long as we deliver high quality and high, uh, precise solutions for them and provide top leadership, we expect them to continue to deliver higher value.

And therefore, we are investing in the right type of talent to grow it organically within the company and hiring them to bring into the organization.

**Manan Dalal - Analyst, Dalal Family Office**
Okay, thank you so much, sir. Of course.

**Operator**
Thank you. Next question is from the line of Mandira A. From Investor. Please go ahead.

**Mandira A. - Investor**
Thank you for the opportunity, sir. So a couple of questions. So I believe that you have announced a 3-year strategic collaboration with Rackspace Technology. So just wanted to know, like, how significant is this partnership in strengthening your presence in the global digital engineering and

enterprise technology?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
So, Rackspace is somebody who is playing in the space of providing infrastructure to companies, to companies or enterprises to run their own sovereign AI models. Okay. As you've seen, there have been challenges with are concerns and trust issues with using AI models because, you know, the concerns about data privacy, sovereignty, ability for enterprises to manage their own and control the visibility of their data to foundational external models. Yeah. Therefore, they're trying to avoid public cloud.

Given Rackspace's ability to run this on physical servers, that are dedicated to clients. It gives us sovereignty for those clients. What we are doing with Rackspace is providing the site reliability engineering and the migration as well as management of this infrastructure for those customers. That's a lot. So it is significant, and we expect that to continue to grow as the industry adopts and starts maturing from the standpoint of using models that are available through labs, through API, to models that are run on their sovereign infrastructure that they have.

**Mandira A. - Investor**
Um, got it. Yeah, got it. So, and just a follow-up thing on that, so does the collaboration cover the cloud modernization, site reliability, data and security engineering, migration engineering, and product development? And which of this area will offer the greatest opportunity to build a long-term capability and drive growth?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
I believe out of that different categories, site reliability engineering and managed services will be recurring revenue and drive long-term growth.

**Mandira A. - Investor**
Okay, sir, got it. And so lastly, if you could help me like I can see that the EBITDA margin has improved. So what were the key factors behind this improvement, and which operational initiatives are expected to support the further margin expansion?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
So primary lever related- there are 2 levers that have resulted in the EBITDA margin improvement. Uh, number one, the revenue mix itself is slowly but steadily changing. Uh, albeit the fact that we are actually continuing to invest in organic growth and talent improvement, uh, even with that initiatives, uh, EBITDA has been able to- the margin has expanded. And as we are also increasing cross-selling within existing customers, we are being more efficient in how we are deploying our talent, how we are utilizing our talent, how effectively we are working with the customers.

So I think both operational discipline as well as the type of revenue is enhancing EBITDA margins, and I expect that to continue to exist, uh, in the future as we continue to progress.

**Mandira A. - Investor**
Uh, got it, sir. That was really helpful. Thank you for answering the question, and all the best for the coming quarters.

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Thank

**Dhanraj Solani - Analyst, Kuver Advisors**
You.

**Operator**
Thank you. Next question is from the line of Dhanraj Solani from Kuver Advisors. Please go ahead.

**Dhanraj Solani - Analyst, Kuver Advisors**
Yeah, hi. Uh, I have a certain question on the growth size. So, um, considering we have a strong, uh, cash flows of more than Rs 100 crores in H1 FY27, so considering our, uh, keep- like, what will be our creep, uh, uh, strategic growth priorities. Simultaneously, we are approaching a positive cash generation and working capital discipline. So how, how are we going to prioritize these among all?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Mohit, you want to take that first and then I'll come in and answer?

**Mahesh Kumar Nutalapati - Global Chief Financial Officer, Hinduja Global Solutions Limited**
Yes, Venky. I think Venky will cover on the growth side of the story. And from a cash generation perspective, as we mentioned that in our presentation, the 4 themes that we are looking for our future quarters, like deepening our existing clients, improving margins through a healthier mix, enable AI-native workforces. That's where we'll be redeploying the cash that we're generating from operations. So that we are geared up and well prepared for the coming quarters. And also we'll be looking at, as we are in an expansion stage, as you might be aware, that there will be a lot more working capital which is required.

So most of the cash that we'll be generating will be getting back into the business to support the growth levels that we are looking at in the future. Does that answer your question?

**Dhanraj Solani - Analyst, Kuver Advisors**
Yeah, yeah. Beyond, I would say beyond FY27, So,

**Aryan - Individual Investor**
Um,

**Dhanraj Solani - Analyst, Kuver Advisors**
Among the traditional BPM business, digital, uh, CX, AI-led services, and technology, uh, uh, technology solutions, do you see any, um, significant growth opportunities other than this?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Uh, so the reality is, uh, I think it has come out, I think the market has over time Realizing that not everything is AI-related, right? This is the whole hype curve that we talk about, the industry talks about, where you have a significant hype and then there's a trough and then you'll go through a stable growth. I think we are going through that cycle on the BPO side and also on the technology services for that matter. If you all remember a few quarters ago, the whole hype was around how AI is going to take away all the work on the BPO side.

Now, we have always believed that it's not one or the other. It's going to be always an augmented scenario. I think more and more the requirement is going to be in domain-specific knowledge that is combined with AI-based technology to drive efficiency, improve the speed of transaction, the quality of transaction execution, and human judgment in the loop. And I think that we are calling it digital operations, or we're calling it cognitive operations. We're trying to give it different names, but

fundamentally what it is, is it's combining AI, systems integration, and people to- whether it's answering calls or executing processes in the backend.

I believe that there's a significant opportunity as more and more enterprises trying to figure out how to extract the value of this new technology. And I think the intersection of the traditional BPO and the technology services is where the value and growth is going to be. And that is where we are trying to stay focused on, and we're trying to see- and we're starting to see results there. Hope that answered your question for you.

**Dhanraj Solani - Analyst, Kuver Advisors**
Yes, it was really methodical. Thank you, sir. That's all from my side.

**Operator**
Thank you. Next question is from the line of Jignesh Patel from North Star Investment. Please go ahead.

**Jignesh Patel - Analyst, North Star Investment**
Hello and good evening everybody, and thanks for the opportunity even. So, so just, I have just one single question from my side. So your Project Ganga, I believe it is in the phase of almost launching it, and the Ganga Fiber. So just I want to know, so what are the key priorities for the next phase of implementation, and where do you see the growth

**Vynsley Fernandes - Whole Time Director and Chief Executive Officer of NXTDIGITAL, Hinduja Global Solutions Limited**
Jignesh bhai, good evening to you in India. Thank you for your question. So if you look at any typical project, it has multiple phases. So the very first phase, and if you look at slide 12 for instance, the very first phase of the business is basically being able to attract potential entrepreneurs. They go through an application process. There is an algorithm that selects them, multiple criteria, some criteria provided by the government, some criteria on the basis of technology, like it can't be more than 5 kilometers from the nearest base transceiver station, etc.

That's the first process. The second process is training the qualified candidates, the candidates who qualify for training. And there we've trained already, as I mentioned, about 1,250 Yeah, yeah. And then the third phase, Jignesh bhai, is where we actually file the applications of the trained entrepreneurs with the CM YUVA, which is the government scheme under the Honorable Chief Minister where they can apply for a loan up to 5 lakhs, interest-free, collateral-free. And we help them then, once they get their loan, we help them roll out their technology and we train them also.

Also to market to customers, etc. So we've already completed all the phases, right? As I mentioned, the first 16 digital service providers are already live with 200 customers. Now that means, and each digital service provider has the capability and the technology to go up to close to about 350 customers with his first initial CapEx. And of course, he can keep on expanding thereafter as his cash as his business grows. So, um, from a perspective of growth, uh, the momentum is really, really interesting where we've seen already over 4,000 applicants.

The idea is over the next 2 years to have about 8,000 to 10,000 such digital service providers. The momentum has already crossed 4,000 in just barely, you know, 5- 4 to 5 months actually of launching the scheme on June 9th. We'll see significant traction. For example, the target is to have close to eventually to do anywhere between 50 to 100 digital service providers literally in a month while growing significant number of customers. Because eventually the project over the next 2 to 3

years is aimed at connecting nearly 20 lakh households, 2 million households.

With high-speed broadband and layering that with all the other services. So there's a lot of traction left there, but the good news, to answer your question, is that all 4 phases have been completed and now it's like literally an assembly line process. Application comes in, person goes for training. We have invested in a learning management system online. We also have a training center in Lucknow. For physical training and LMS, because obviously people in far-flung places in Uttar Pradesh won't be able to travel to the cities, etc., and may not be able to afford it for whatever reason.

So to be able to be flexible, we built even an online training program. So this is seeing a lot of connections, and there's been tremendous amount of support from the State Transformation Commission. And of course, State Transformation Commission, of course, the Honorable Chief Minister himself in ensuring that digital inclusion is ubiquitous and, and, and, and is rapidly happening. I hope that answered your question. Uh, I hope it does.

**Jignesh Patel - Analyst, North Star Investment**
Yes, sir, exactly, sir. It's very clear to me. Lovely speaking to you, sir. Thank you again. Thank you, thank

**Aryan - Individual Investor**
You, thank you, thank you so much.

**Operator**
Thank you. Next question is from the line of Aryan, an individual investor. Please go ahead.

**Aryan - Individual Investor**
Yeah, Mr. Venkatesh, I hope you can hear me. Yes. Hello. Yes. Yeah, you can hear me, right?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Yes, yes.

**Aryan - Individual Investor**
Yeah, uh, I just want to lay out a few facts before I come to the question. Uh, around 2021, HEDGES had sold its healthcare division for about Rs 8,000 crores net proceeds, and from that about Rs 2,000 crores Was used for buybacks, dividends, acquisitions. Right now I think about Rs 6,000 crores is still there in cash surpluses, which is sitting in about in RPT/quasi-RPT loans earning about the equivalent of an Indian government bond. After that, the management has merged NXC Digital, a loss-making company that has resulted in a gap in a GAR tax dispute of about Rs 280 crores.

And right now the business that you've sold, Mr. Venkatesh, which is of Agility India, is worth about Rs 20,000 crores, whereas HGF itself is worth only about Rs 1,500 crores. I'm just- my question to you is just this, Mr. Venkatesh, like since the healthcare failed, can you name like one capital allocation decision that, you know, genuinely benefited the minority shareholders? And how do we continue to place trust in the management team?

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
So I understand the question, right? Also, since 2021, if you notice what has been happening to the market, uh, because you'll continue to see that the market has lots of uncertainty, there's lots of hype, and not sure where the world is going. There was a belief system on the direction of The world, the BPO ending was one type of a belief system. And then there's a belief system around the

idea of technology services businesses are going to disappear. All the services, tech services world is going to disappear.

So there's a lot of anxiety in the market. So what we thought was prudent and what we have invested in is actually towards organic growth of the organization and inorganic growth. In fact, if you remember, we have done a- we have actively pursued and done an acquisition of Teklink International, which was a data and analytics company. Our thesis or hypothesis was that eventually the market gyrations are going to stop and it's going to get to a point where the need for applying technology into operational delivery, meaning business process execution, will become significantly important.

Now, we didn't have the full rubric to know exactly what was going to happen in the future. Now hindsight is fantastic, but at the time that was our hypothesis. And through that hypothesis, what we have said was the core problem that companies will face to apply intelligent automation across their organization. And today what we call is agentic AI or harnesses and all that stuff that the market is talking about. The core problem that they will have is data engineering. And therefore we went and acquired the data analytics company called Tekent.

We continue to now invest into retraining the talent. We have built a bunch of solutions. In fact, a number of those opportunities that we close with public sector and private sector companies that I talk about, if you notice, are all technology services related. And it does take time for the market to recognize and trust any company as a technology services provider. And that is where our investment has gone, while still protecting the cash that we have available, because at the right opportunistic moment, we want to use that to drive an acquisition that can there's significant economic growth for the shareholders.

That is what we believe, uh, has been done for the, uh, minority shareholder interest. In addition to that, I'll let Mahesh jump in and talk through how we have done dividend distributions and stuff like that. Go ahead, Mahesh.

**Mahesh Kumar Nutalapati - Global Chief Financial Officer, Hinduja Global Solutions Limited**
Hey, thanks, Venky. Just to continue on what Venky said and also just to clarify, there are RPPs, but There is nothing like a quasi-RPT. So whatever is required in line with accounting standards, we are disclosing that as RPT transactions. Now on the capital allocation part that you touched upon, as Venky mentioned, the hypothesis that we have followed on, and in hindsight we can't say the decisions are good or bad, but that was the direction that we have taken to ensure or to optimize the shareholders' wealth, not only minority but all the shareholders' wealth.

Definitely minorities will be preference for us. And on, on, on, on the margins that you look at it, the currently the investments that we have are yielding around 9% to 9.5% in India and sort of around 6% for our overseas placement. And what we have done as, as a thought, thought-through process is that first we should set our house in order. Post-healthcare, uh, divestiture, we were left with a lot of hangover of the cost. And we started working on cost optimization initiatives to ensure that our EBITDA reaches a level which is much better income generation from the investment that we're having.

And then we'll be looking at redeploying the cash into those strategic acquisitions that we're doing. So 2 things that we're doing parallelly. One, we're evaluating any kind of acquisitions where cash can be deployed. And second, we are looking at optimizing the cost structure, which you have seen the benefit that is coming up with the change in the revenue mix and with the disciplined execution.

So these are the 2 premises from a financial perspective is what I am saying. Is that what you're looking at?

**Aryan - Individual Investor**
Yeah, I mean, that gives me some sort of clarity, but I still hope that the concerns of minority shareholders are heard and given period consideration?

**Mahesh Kumar Nutalapati - Global Chief Financial Officer, Hinduja Global Solutions Limited**
Absolutely. I mean, uh, we understand the concerns that you're saying. I think it is because of the transition phase that we are in post the healthcare divestiture, and then you can see that the upward momentum is catching up. And also during this phase where we were in the phase of transition and performance was not reflective of what is the true potential of the company, but we still continue to make dividends, and we will look into those aspects as we go further. But definitely the foremost priority for all of us is to ensure the company gets back into the growth trajectory and EBITDA margins that we were having pre-diversion.

So that is where the focus is of all of us now.

**Aryan - Individual Investor**
Okay, thank you. Yeah,

**Operator**
Thank you, ladies and gentlemen. We will take that as the last question for today. I will now hand the conference over to management for closing comments.

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Mahesh and Vince, why don't you go ahead and then I will conclude it. Thanks.

**Mahesh Kumar Nutalapati - Global Chief Financial Officer, Hinduja Global Solutions Limited**
Yep, let me go first. And, um, I mean, specifically, I would like to, uh, thank every shareholder of the company for their continuing support and trust in us. And I understand that we are in a phase of transition, and we see that finally, I think we are gaining momentum and we should be in a position to turn it around. So my special thanks to all the shareholders for their continuing support and trust in us.

**Vynsley Fernandes - Whole Time Director and Chief Executive Officer of NXTDIGITAL, Hinduja Global Solutions Limited**
Thanks, Mahesh. This is Vint Cerf. Thank you very much. Again, I echo what Mahesh just said. There are no doubts that there will remain headwinds that- and I talk probably specifically about the media business, but I think we've got our strategy well in place. And while it takes a long time for an ocean liner to literally stop dead and turn around, we've been able to do that. And broadband is now on a growth trajectory to be able to support the challenges of the DTV business. We're also seeing Project Ganga, as I mentioned to even Jignesh bhai, we're seeing significant traction there.

And well, in the next quarterly call, I'm sure I'll be able to- report on the significant growth that happens there. Thank you everyone for taking time to join this call today. Truly appreciate it. And with that, I will hand over to Venky.

**Venkatesh Korla - Global Chief Executive Officer, Hinduja Global Solutions Limited**
Thank you, Vince. And again, I want to take this- take a minute to wish all of you upcoming Happy

New Year. And thank every- each and every one of you for taking the time to be on the call and the trust you have placed in this management team. I also want to indicate to you that I think part of growing and transforming a business is about leading with conviction. And we have stayed steadfast in our idea of human augmented or AI augmented human delivery as a service. Which we have stayed on top of that.

We have continued to stick to it as the time has progressed. And I think we are starting to see the fruits of that conviction. I also believe that as the market is changing, and nowadays the market, because there's a new technology coming out every, initially every few weeks, new capability being released, the pace at which change is happening is so dramatic and significant that it's very hard to stay focused on the transformation that you need to stay focused on because there's always something new that can be disruptive.

I think through our convictions, through our focus on the growth pattern that we have looked at, we have used the available cash as an asset to create resilience in the company. To drive and manage through the change. And as things stabilize in the market, as things get to a state of maturity in this new technology, I think we will be very well positioned for growth in the future. We're seeing early signs of that success, as you saw today in the margin improvement, and we expect to see that as we look to the future in the next few years.

Appreciate your time. Thank you.

**Operator**
[Operator Closing Remarks]