August 14, 2026

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 August 10, 2026

This is in continuation to Q1 & FY2026-27 Earnings Conference Call of Hinduja Global Solutions Limited held on August 10, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015, we wish to attach herewith the transcript of Q1 & FY 2026-27 Earnings Conference Call of the Company held on August 10, 2026.

The transcript can also be accessed using: https://hgs.com/investors/

Thanking you,

For **Hinduja Global Solutions Limited**

NAREN DRA SINGH
Digitally signed by NARENDRA SINGH
Date: 2026.08.14 17:32:53 +05'30'

Narendra Singh
Company Secretary
F4853

Encl: As above

Hinduja Global Solutions Limited
Q1 FY2027 Earnings Conference Call
August 10, 2026

Key Speakers:

Mr. Venkatesh Korla - Global Chief Executive Officer, HGS
Mr. Vynsley Fernandes - Whole Time Director, HGS & CEO of NXTDIGITAL Media Business
Mr. Mahesh Kumar Nutalapati - Global CFO, HGS

Moderator: Good evening, ladies and gentlemen. A very warm welcome to the Q1 FY 2027 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 NXTDIGITAL Media Businesses and Mr. Mahesh Kumar Nutalapati - Global Chief Financial Officer, HGS.

As a reminder, all participant lines will be in a 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 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, Nirav. Good evening, everyone. We welcome you to the Q1 FY 2027 Earnings Call of Hinduja Global Solutions Limited.

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: Excellent. Good evening, everyone, and thank you for joining us. I am Venkatesh Korla – Global CEO of HGS.

I will start with a brief update on our overall performance for Q1 FY 2027 and then share some of the key developments that are shaping our growth journey.

This quarter reflects our continued focus on execution, capability building, and positioning HGS for its next phase of growth. We are working through a planned transition with some legacy contracts, completing as expected while newer engagements continue to ramp.

Although the revenue contribution from these wins will build progressively over time, we are encouraged by the momentum we are seeing in areas such as AI-led transformation, digital modernization, platform services, and intelligent operations. We believe the portfolio we are building today is strategically stronger, more aligned to evolving client needs, and better positioned to drive sustainable growth in the years ahead.

Moving on to the Slide #4, snapshot of HGS final performance:

- For Q1 FY 2027, our revenue from operations stood at Rs. 1,050.4 crores. And total income was Rs. 1,201.2 crores.
- Total EBITDA stood at Rs. 116.3 crores with EBITDA margins at 9.7%. Two things stick behind that number:

  1. The contracts running off are doing so on schedule as expected.
  2. The new business replacing them carries a different profile. More technology content, more offshore delivery, and increasingly commercials tied to outcomes rather than headcount. The impact on margins is immediate because of ramp and training costs.

Looking at business highlights for the quarter:

During the quarter, we made steady progress on several business priorities. We are seeing multiple AI-embedded client engagements move forward. These are not just pilots or proof points anymore. Increasingly, clients are looking at AI as part of real operating models, where the focus is on measurable outcomes, productivity, speed, quality, and business impact.

We added 19 new logos across CX and digital services, and 8 clients in HRO and payroll processing. That is encouraging because it shows continued client confidence in our capabilities, even in a cautious demand environment. However, many of these relationships are at an early stage, particularly within the OSS business, and we expect revenue contribution to build progressively as projects mature and the scope expands.

Our pipeline remains strong in areas such as agentic AI, process automation, contact center, digital modernization, and platform services.

We have also strengthened our focus on domain hiring, fractional advisors, and solutions build-out, which are important as we move deeper into specialized outcome-led engagements.

Another important development was the incorporation of HGS MENA IT Consulting LLC in Dubai. This will help us build technology and consulting capabilities across the MENA region and support our expansion strategy.

We continue to see encouraging external validation of our strategy and execution. In Q1, we received recognition for our AI-led innovation and employee experience initiatives, while analyst firms including Forrester, Everest Group, and Avasant highlighted our capabilities, sector expertise, and evolving position in the market.

Overall, the quarter reflects the continued focus on discipline, execution, expansion, and innovation.

Driving business growth through delivery of intelligent experiences, let me now spend a few minutes on where we are headed as a business:

Over the past few quarters, we have been deliberate in sharpening our market position. The opportunity today expands well beyond traditional CX or digital operations.

Clients are looking for partners who can bring together technology, data, AI, automation, and operational expertise to deliver clear business outcomes, create better experiences for our customers and employees, and provide leaders with the insights needed to make smarter decisions.

When businesses reimagine entire processes around these outcomes, the impact goes far beyond efficiency. It creates stronger customer relationships, improves agility, and builds a competitive advantage that is difficult to replicate.

Clients are increasingly seeking trusted partners who can help them drive end-to-end transformation and translate technology investments into real business value. HGS is positioned well to win in this space and aspires to be a leader in helping businesses move from cost savings to revenue generation.

Enterprises are moving AI pilots to AI execution across industries. We are seeing AI adoption accelerate, but the conversation has clearly changed. Today, enterprises are asking sharper questions around ROI, business value, speed-to-value, governance, and scalability. This is very evident from my recent meetings with clients and prospects.

That shift plays to HGS' strengths. We have always understood operations deeply. We understand workflows, customer journeys, compliance needs, and the complexity of execution and executing large transformation on a global scale.

When that operational depth is combined with AI, automation, data, and platforms, the opportunity becomes much more powerful. Our focus is very clear. We want to help clients move from AI pilots to AI execution. In other words, not just deploying technology, but ensuring that it delivers measurable business impact for our clients.

HGS is turning brand promise into business action:

At the end of March 2026, we introduced a sharper market position for HGS as an intelligent experiences partner. Since then, our focus has been on translating that position into action across the business. In line with our new position, we have clarified our portfolio under three solution areas:

- Intelligent Interactions.
- Intelligent Operations.
- Intelligent Platforms.

This will enable us to convey our end-to-end capabilities and our proven expertise in AI and automation. A key part of this is our focus on outcome-led engagements and production-ready innovation. Our 90-day proof of value model is designed to help clients go in with more clarity, move faster to outcomes, and scale with confidence.

We believe this formula is a strong differentiator in the market, and it is resonating with customers. We are verticalizing into four markets where we have real depth - BFSI, Consumer Products and Retail, Healthcare, Public Sector and Utilities.

Verticalization is a mechanism, not a badge. It means codifying what we know into reusable assets, vertical agent libraries, and package solutions. So, the second client benefits from the first.

We are also continuing to strengthen our delivery, talent, and go-to-market capabilities. Alongside this, we are building a growing portfolio of package solutions, accelerators, and AI-powered platforms, including investments in Agent X® and workflow-centric AI capabilities.

For us, this is not just a brand statement. It is a clear operating direction for the company. As an example, I will go through a case study, a 360-degree approach to customer understanding. Let me share an example from the manufacturing sector that highlights how connected data can drive meaningful business outcomes:

The client, a beverage can-manufacturing company, was managing critical sales, production, inventory, and customer data across multiple SAP and non-

SAP systems, making it difficult to get a unified view of operations and making agile decisions.

HGS just built a cloud-based analytics platform on Azure that brought these data sources together into a single view, enabling better planning, forecasting, and decision-making. The results were significant, 99% sales forecast accuracy, 70% inventory cost optimization, 95% production planning accuracy, and improved responsiveness to customer demand. It's a strong example of how data and analytics can translate into measurable business value.

In closing, let me finish with what we are actually seeing within our business:

> First, *the pricing shift* – We intend to move a growing share of our contract value onto outcome-linked and non-headcount commercial structures. This is the single most important thing we are doing because it is what turns AI-driven productivity into our margins.
>
> Second, *Placing the runoff with better revenue* – The contracts we have lost were largely labor-priced. The contracts we are winning carry technology content and offshore-weighted delivery. We expect that to show in the margin structure ahead of revenue cycle in following quarters.
>
> Third, *Proof over promises* – Every offer we take to market comes with a 90-day proof of value and defined outcomes. If it does not work, the client does not pay for it. We will hold ourselves to that. While the revenue line does not yet reflect it, this is not a fault. It is a deliberate change to what we sell and how we get paid for it. And the market is moving towards it and not away from it.

Again, thank you all. And I am now going to hand over to Vyns to talk about our Media business. Here you go, Vyns.

Vynsley Fernandes: Yes. Thank you, Venk. Good evening, everyone. And thank you for joining us today.

I am going straight to Slide #11. And to share with you all, it's actually been a very, very strong start to the fiscal on the broadband front and there have been several key aspects and several key factors driving that.

I am going to actually start on the reverse, which is the third point, which is challenges on the digital television vertical front:

As you all know, there are significant headwinds impacting digital television or the linear TV business. And those are not just industry wide in India, but also pretty much globally. And rather than take them in our stride, we have taken it head on and we focused instead on what would be the appropriate mitigation aspects. And if you look at the challenges that are facing the business, the DTV business, we have been able to mitigate them through a lot of aspects, not just broadband, but also cost optimization is as adjacent to innovative measures as important.

There have been a whole slew of innovative measures that we have rolled out, which is bundling broadband with DTV in certain markets, rolling out IPTV, and of course, cost optimization, which we will continue to focus on. That is something that as a business, it is we are beholden to look under every rock and every crevice to figure out how to make the business more robust. That is on the DTV front.

On the Broadband front:

CelerityX, which is the enterprise business of OIL as I mentioned in the last quarter, has been identified as one of the forward growth engines for the future. And we have been putting in a lot of effort on that front. And we are quite pleased to let you all know that we have seen not just new prestigious logos being added in the last quarter, but also more importantly, and this is very important, we have been able to get in, corporates for repeat orders and repeat contracts are very, very critical, because and why are they significant? Because corporates, number one, it reflects the faith they have in the services and the solutions of CelerityX. But more importantly, from a ONEOTT iNTERTAINMENT Limited (OIL) perspective, a repeat contract is a longer duration contract. And that is something that gives us great comfort and confidence.

The third point and I am going to spend some time on the next slide itself. So, if I request you to go to the next slide, Slide #13, actually, which says ""Project Ganga"" was launched on 9 June 2026:

This is, in fact, not just for ONEOTT iNTERTAINMENT Limited, but this is a matter of great pride for the entire nation, because it's a very unique project that was flagged off by India by the Honorable Chief Minister of Uttar Pradesh, Shri Yogi Adityanath Ji on the 9th of June 2026. It is truly a project, truly an initiative, not just in digital transformation, but also in social upliftment and pretty much expands all across the 75 districts of Uttar Pradesh. And as you can see from the slide, which is on your screen, there's been significant amount of coverage, not just from the television channels and the news networks, but right across the board, because that is indeed the complete focus for the nation in terms of digital inclusion also, as all of you know, has been one of the pillars for growth.

What makes it really interesting, and I am going to go to the next slide, which is an update on "Project Ganga". The title says ""Project Ganga" Update":

We just launched this on 9th of June 2026. And just to recap for everyone, this initiative focuses on empowering youth. We are looking to support the Government of Uttar Pradesh with enabling about 8,000 to 10,000 entrepreneurs of the Nyaya Panchayat. Nyaya Panchayat is a collective of Gram Panchayats to be developed into independent digital service providers (DSPs) with 50% of them being women. And this is a very important factor that we have been focusing on.

And over the next two to three years, "Project Ganga", which as you know, is an acronym for "Government Assisted Network for Growth and Advancement" (GANGA), will look to connect over 2 million households with high-speed broadband. And you see the photographs on the right; those are actual training that have been done.

We have received about 2000 applications on the “Project Ganga” portal and mobile app as of 4th August in terms of getting this report ready. And as of today, we are very proud that about 500 such applicants have been trained in business operations, technology and field services.

It has parameters for selection. And on the basis of that, we shortlist people in training that you look at those three photographs are in Noida, Prayagaraj and Lucknow. And of course, there's an online dedicated training system that we have developed, which is a **“**Project Ganga LMS”, Learning Management System. This has been developed and with a very clear focus again with guidance that people in the most remote areas who may have challenges of travel and making it to the cities or towns for training, will be able to access the online training modules because there is a certification process and be a part of the potential **“**Project Ganga DSP Growth”.

So, that is on this slide, which says “Project Ganga” update. And I will in the next meeting and the next quarter that we have, I will share with you KPIs, Key Performance Indices in terms of how many people have been not just trained, but also how many people their network have received their loan from the CM YUVA Scheme, how many people have been have rolled out their networks and how many customers they have onboarded. Because as you know, ONEOTT iNTERTAINMENT and the broadband vertical of Hinduja Global Solutions is tasked with being the knowledge partner and enabler. And our role is to handhold these potential DSPs or DSPs once they are operationalized, all the way up to helping them roll out their technology networks, as well as helping them market their services to customers and turning into a DSP business.

With that, I am going to the next slide. And just before going to the KPIs, that we have always been in the news for the right reasons. And we are quite happy. If you look at the news, in addition to the entire “Project Ganga” coverage, which is significant, we have also been in the news in terms of our growth factor, in terms of what our strategy is. And all that the investments that we have made the not just in people and technology, but also in processes and innovation and ideas like “Project Ganga”, of course, all of those have been able to kind of we have been bestowed with the best future networks of the year.

If you look at Slide 15, on the right-hand side, this is very critical, because it's the award essentially sites are on consistent innovation and technology. And the fact that we continue to leverage our vast partner driven network. So, it is not just building our own networks, but also leveraging our partner networks, something that I have shared with you all in terms of the success of CelerityX.

And as Venk was mentioning, we are focusing and we are harnessing and enhancing the HGS global approach of harnessing the three A's – Artificial Intelligence, Analytics and Automation. And a lot of our processes, a lot of our technology, are being leveraged to build out an integrated connectivity mesh across the country. This is something that we have been doing quite effectively, and that is Slide #15.

Moving on to Slide #16 now. This is something we monitor, as I mentioned to you, I think, literally on a daily basis, because this reflects truly the strength of a broadband company, or the strength of a broadband network, in terms of the customer adoption or the customer adaptation to packages, and upgrades and upselling. And if you look at the shift in customer mix on Slide #16, pretty much high-speed adoption, which was barely in the low single digits, about a year and a half ago, already it's risen from about 11% last year, this time to 15% on an expanding subscriber base.

If you look at the two pies up on the on the left-hand side, it talks about 101 Mbps to 200 Mbps, 8% and greater than 200 Mbps. So, that's 11% in Q1 last year, that has moved, if you look on the right-hand side to 15% in those two segments in this quarter.

The other thing that gives us also a lot of comfort and confidence is that customers are choosing higher base plans at start. That base plan of 10 to 30 Mbps, which is like an entry pack, the customers opting for it is reduced from 22% to 18%. And that bodes pretty well. Of course, the mid band, which is 31 to 100 Mbps, that's pretty much stable at around 67%. But the 51 to 100 again has continued to move up.

All in all, for anyone tracking how future growth or future revenue structuring or future broadband offtake across the country looks like, a great measure to show that the package uptakes will continue to increase as people opt for better packages at start. And this is, of course, aided by sustained upselling and rising data consumption as people are looking at so many more apps and other aspects.

So, that is pretty much it from my side. Thank you all for listening patiently to me. With that, I am going to hand over to my colleague, Mahesh Nutalapati, who is our global CFO.

Mahesh, thank you. And if I can hand over to you, please.

Mahesh Kumar Nutalapati: Thanks, Vyns. Thank you. Good evening, everyone. And thank you very much for joining us.

As you would have heard from both Venk and Vyns in their respective business updates, this has been a quarter of deliberate, disciplined execution across both sides of the business, sharpening our position as an intelligent experiences partner, adding around 19 new logos in CX and digital services, and 8 in HRO and payroll, incorporating HGS MENA in Dubai, and building a strong pipeline in Agentic AI and platform services.

On the Media side, as Vyns mentioned, “Project Ganga” was launched in June by the Honorable Chief Minister of Uttar Pradesh.

CelerityX continued to add and renew enterprise logos. And we have kept the digital television headwinds well mitigated through cost optimization strategies and initiatives that were put underway.

What I will now take you through is the financial expressions of that agenda.

The 1st Quarter reflects a business that is holding its revenue-based study while we invest ahead of the curve in sales and solutioning, and domain talent, and in our AI capability built. I will walk you through the consolidated performance, the balance sheet, and our revenue composition, and then close with how we see the year progressing.

So, turning to the numbers for the 1st Quarter of FY27:

The headline is business holding its revenue-based broadly study, with profitability for the quarter absorbing the investments and planned phase-out of a large client engagement and its related one-time costs, fairly in line with what Venk and Vyns have just described.

So, let me take you all through it. I am on Slide #18:

Revenue from operations for the quarter stood at Rs. 1,050.4 crores, moderating around 3.2% sequentially, and marginally lower by 0.6% year-on-year.

Total income was Rs. 1,201.2 crores, down 4.3% sequentially, and up 1.2% year-on-year. Depreciation for the quarter is at Rs. 123.6 crores, as compared to Rs.134.9 crores in the last quarter. Interest cost has come down to Rs. 45.5 crores from Rs.48.1 crores sequentially, and Rs.57.9 crores year-on-year, reflecting continued discipline on the debt book.

Other income for the quarter is at INR 150.8 crores, as against INR 170.0 crores in the previous quarter, and higher by around 15.1% on a year-on-year basis.

Profit before tax before exceptional item is at negative Rs. (-52.8) crores, as compared to a positive of Rs. (+14.1) crores in the previous quarter, and Rs. (-26.5) crores in the corresponding quarter of the previous year.

There are no exceptional items this quarter, as against Rs. 4.8 crores in the previous quarter, relating to the new Labor Codes.

Taxes for the quarter are at Rs. 13.5 crores, as against Rs. 22.9 crores in the previous quarter, and Rs. 19.9 crores year-on-year basis. The total PAT for the quarter is at negative Rs. (-66.3) crores, as compared to negative Rs. (-13.6) crores in the previous quarter, and positive Rs. (+11.2) crores in the corresponding quarter last year. Noting that the year-ago quarter included Rs. 57.5 crores from discontinued operations, which does not repeat in this quarter.

Total EBITDA is at Rs. 116.3 crores, with a margin of 9.7%, as compared to 15.7% in the previous quarter, and 13.5% year-on-year.

On margins, let me clarify about the drivers:

This is not compressed because of any demand or delivery. Operating expenses have stayed broadly flat, around INR 1,084.9 crores while revenue moderated. And the quarter also absorbed one-time costs related to planned phase-out of large client engagement, and also some front-loading of investments in sales, solutions, domain hiring, and our AI capability build, including Agent X® and the 90-day POV model that Venk spoke to.

Consistent with what we have said in our prior quarters, we view this as a one-time cost and investment phase absorption, rather than any structural change in our earning power.

And we expect operating leverage to return as volume normalizes and these investments commercialize.

Moving on to Slide #19, which is the balance sheet:

Our balance sheet remains strong. Total assets to that INR 11,474 crores as of June '26, against INR 11,556.7 crores in March '26. And total equity is at INR 8,402.5 crores against INR 8,436.1 crores. Broadly stable through the quarter.

Other equity includes non-controlling interest of INR 111.3 crores as of June '26, against INR 119.6 crores as of March '26. Gross treasury and cash surplus is INR 6,605 crores against total borrowings of INR 1,279 crores, leaving a net treasury and cash surplus of INR 5,326 crores as compared to INR 5,346 crores at the end of March.

Liquidity remains solid. Gearing ratios are comfortable and working capital metrics are stable. Collection discipline continues to hold, and we are funding our growth initiatives including “Project Ganga” primarily through internal accruals.

Moving on to Slide #20. Revenue composition by source and vertical on a base of INR 1,050.4 crores. The left side shows revenue by source. So, CX services accounts for 54% of operating revenue and digital and Media services for 46%, consistent with the balance we have carried through FY26.

The right-side shows split by vertical. Tech, Media and Telecom continue to be our largest vertical at 46% of the total revenue. CG and Retail at 19%, BFSI at 17% and Public Sector at 12%, primarily from the UK and Canada.

Health and Life Sciences at 3% and others at 4%. The direction here is deliberate. Our vertical mix has become more diversified compared with prior quarters, with lower dependence on our largest vertical and broader base across BFSI, Retail and Public Sectors, which is exactly the portfolio rebalance we have committed at the start of FY27.

Moving on to Slide #21, revenue composition by origination and delivery:

From an origination standpoint, India accounted for 40% of revenue for the quarter, US 30%, UK 16% with Australia, Canada and others adding up to the balance 15%. From a delivery standpoint, India accounted for 40%, US 20%, Philippines 15%, UK 14% with Canada and others making up the remaining 11%.

Our delivery footprint remains well diversified across geographies, giving us a benefit of both cost flexibility as well as resilience.

A point I would like to underline, picking up from Venk's remarks, our investments in Agentic AI, Agent X® and our platform portfolio are steadily moving from build phase to commercialization. With multiple AI-embedded client engagements now in progress and a strong pipeline in Agentic AI, contact center modernization and platform services, there is a near-term margin absorption as we are going to scale up these capabilities, but the client pool we are seeing gives us confidence that this is a medium-term margin accretive and not a dilutive one.

Looking ahead, we remain cautiously optimistic, macro uncertainties and client prudence may persist in the near term and our 1st Quarter reflects that, but with a stable revenue base, a strong balance sheet, a well-diversified portfolio and a clear AI-like differentiation, we are positioned for a gradual improvement in both growth and margins through the year. Our priority remains sustainable profitable growth with continued rigor on cost, productivity and capital efficiencies.

With that, I would like to end my presentation. Thank you once again for all of you for your continued trust and partnership. With that, I am handing it back to the moderator.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Prisha Shah from Shah family office. Please go ahead. Prisha, may I request you to unmute your line and proceed with your question? Prisha, can you hear us? Due to no response, we move on to the next participant. Next question is from the line of Ankit Jain from Gravita Consulting. Please go ahead.

Ankit Jain: Good evening all of you. Thank you for giving me this opportunity. Am I audible to all of you?

Moderator: Yes, sir. Go ahead.

Ankit Jain: I just wanted to understand that we read in certain sections of the Media that the Project Ganga is going to be on no profit, no loss sort of a situation. Just wanted to understand what margins are we anticipating in Project Ganga? Is it the normal pricing that we are doing like we are doing in all other cases or will it be a subsidized program where we will be bearing the cost of the implementation?

Vynsley Fernandes: If I may take that. Mr. Jain, good evening. Vynsley here, can you hear me, sir?

Ankit Jain: Yes, I can hear you.

Vynsley Fernandes: So, in terms of Project Ganga, we are the enabler and the knowledge partner. So, from our perspective, obviously, our role expands right up to handholding and commissioning the partner. Your point is valid in terms of what would be the broadband pricing, what would be the margins and how the business would operate. Let me put it to you slightly differently. The idea is that because of the scale of over 2 million homes to be connected, there remains enough of traction. And just to share with you, it's already pretty much public knowledge in terms of the pricing that's going to be rolled out. The pricing is in line with the competition that is there in Uttar Pradesh today in terms of national competition as well as local. So, pricing is not the competition, what we are supporting the State Transformation Commission and the Project Ganga team is to ensure the quality of service because that is what the challenge is today.

So, from that perspective, when you look at it, and rightly you pointed out the no profit, no loss aspect, that is in terms of helping support the networks to roll out. But in terms of a pure ISP providing broadband, providing internet services, that remains very much what we are doing in all markets and what is currently prevalent in the state of Uttar Pradesh. I hope that has provided some level of clarity, Mr. Jain.

Ankit Jain: Yes. So, this will not be a negative cash flow play in your view also, is it?

Vynsley Fernandes: It is not a negative cash flow at all. That is the reason why we looked at it from a no profit, no loss perspective because for one simple reason, the process, see, let me put it differently. The expertise that we are bringing are from in-house people.

We already have the resources in-house. We already have the capabilities in-house. We already have the training team in-house. So, from a perspective of handholding, we already have the resources, the capabilities and the capacities. And from an ISP perspective, that is a completely different game in terms of being able to help connect them and provide them the bandwidth. So, yes, to your answer, absolutely. We agree with you.

Ankit Jain: Thank you.

Moderator: Do you have any follow-up question?

Ankit Jain: No. Thank you so much.

Moderator: Thank you very much. Next question is from the line of Aniruddha Sharma from Ekant Investments. Please go ahead.

Aniruddha Sharma: Hi, sir. Good evening. Am I audible?

Moderator: Yes, go ahead.

Aniruddha Sharma: Yes. So, my first question is that you added 19 new CX Digital logos in Q1. So, how should we think about the ramp-up for these clients? And when do you expect them to start contributing meaningfully to the revenue growth?

Venkatesh Korla: I will take the question. This is Venk. Can you hear me?

Aniruddha Sharma: Yes.

Venkatesh Korla: Yes. So, typically, once we add new clients, it takes around 6 to 8 months before you start seeing the benefits of that revenue and scale. Initially, it starts off as a small amount of work around $150,000 to $300,000 and then eventually it scales up. In the first 3 months or so, there is actually training and onboarding and ramp-up costs that you incur. That is, to some degree, you will see some margin impacts in the initial months as we grow. But before the end of the year, we should start seeing growth and being margin-attractive to the company. If that answers your question.

Aniruddha Sharma: Understood. So, my next question is that with the strong addition of the new logos, what do you see as the key factor limiting faster revenue growth right now? Is it the time taken for the clients to ramp up or is it the deal size or is it the growth in the existing business?

Venkatesh Korla: It's a combination of both. See, growth in the existing business continues to exist. There are some deliberate ramp-downs as I mentioned in my presentation that will continue to happen and we should be coming to an end of that before the end of this current fiscal year. As we add these new clients, they are going to be smaller in size compared to the past clients because with

AI, the actual revenue size goes marginally smaller than in the past. But on the other hand, margin is higher. Therefore, we expect higher margins and revenue growth to pick up before the end of the year.

As far as the limiting factors, it is ramp-up. Essentially, it takes time to transition from the customer, get the training done, and get people deployed into the projects.

Aniruddha Sharma: Okay, sir. So, one last question from my side. Do you expect the pace of new logo additions to remain strong through FY27 or was Q1 an unusual strong quarter in this regard?

Venkatesh Korla: I expect it to continue to stay strong. In fact, in the last quarter or the end of the last fiscal year, I did talk about we added approximately 78 or 79 new logos in all last fiscal year. We are continuing to see similar types of growth. But all these logos do take time to generate revenue because you need to establish trust, you need to establish ramp-up and then drive the growth with the customer.

Aniruddha Sharma: Okay, sir. Understood. So, thank you for the opportunity, sir. That's it from my side.

Moderator: Thank you. Next question is from the line of Prisha Shah from Shah's Family Office. Please go ahead. Prisha Shah, may I request you to unmute your line and proceed with your question?

Prisha Shah: Hi, sir. Good evening. I have a couple of questions. So, starting with the strong demand which you are seeing for Agentic AI and the APAs. So, are clients now moving from pilots to production deployments? And what would be the typical timeline for this particular transition to happen?

Venkatesh Korla: Customers badly want to move from pilots to production deployments. But for sure, there is a demand for that. The question is, are they ready for it? And the challenge that we continue to see is not all customers are ready with the data story and the governance story related to move to that phase. So, albeit the fact that there is high demand, there is also the challenge that the customer may not be 100% ready, or they have an understanding of what need to change in their internal governance structures and how they deploy their teams for the new way of working with Agentic AI. We are definitely seeing a transition. We think that over the course of this year, we will see that progress and the deployments become larger and larger as we progress through the year.

Prisha Shah: Understood, sir. And my other question would be, where do you see HGS having a sustainable edge in AI given that the underlying technology is becoming increasingly commoditized these days? So, where do you see HGS in this particular scenario?

Venkatesh Korla: Actually, HGS benefits from the idea of underlying technology becoming commoditized. Because the underlying AI foundational models are getting commoditized. But applying the foundational models to a specific industry problem and a specific process re-engineering problem is something that is unique to that customer and that company. And that is where HGS stands out. HGS' history has always been helping customers re-engineer their process and running those processes effectively and efficiently. In the past, we did it with a huge number of talent and team members.

Today, it is a hybrid of talent and AI technology that you are able to deliver that value to the customer. So, I think as the foundation models become more commoditized, it actually benefits HGS because the cost of the foundation model goes down. Therefore, the customer will be willing to spend more time in really adopting the technology to their use. Hope that makes sense for you.

Prisha Shah: Understood, sir. Very well answered. So, my last question would be how we as an investor measure the success of Agent X® over the next, let's say, 12 to 18 months' time in terms of the customers, deployments, revenue or expansion within the existing accounts, if you may answer that.

Venkatesh Korla: Yes, I mean, as we look to the future, one of the big things that we are looking at is how many customers are using and how many contracts that we have, have AI embedded in them. It is less about AI specific revenue because technically, every piece of work we should be doing in the future should have AI as a component of it. One of the things that we can potentially start looking at tracking is how much of the revenue is influenced by AI. That is something we can take away as a question and see how we can measure that and report it out.

Prisha Shah: Okay, thank you, sir. Understood. That were all my questions. Thank you and all the best.

Moderator: Yes. Thank you. Next follow-up question is from Ekant Investments. Please go ahead.

Aniruddha Sharma: I just had a few more follow-up questions on my side. So, I just wanted to know how has the new intelligent experience positioning changed the conversations you are having with clients compared with the traditional VPN CX offerings?

Venkatesh Korla: We are seeing a lot of traction and excitement with the clients related to the idea of intelligent experiences. That is starting to translate into leads coming in, existing customers reaching out, both intrigued by what it means and also to understand how they can adopt it. It has created an excitement around the concept. And from our perspective, after all, an intelligent experience is actually taking the experience and making it contextual, making it data-driven, making it knowledge-enabled with both human and AI team members working together. So, as we look to the future, we think that this will continue to drive demand and drive value for our customers. In the current world, especially with AI technology getting commoditized as a previous caller was asking, what's happening is more and more of the large brands are seeing a risk to their own business where they can be disrupted with a small AI-enabled team that can come and disrupt their business. The only competitive differentiator these large brands will be able to create for the future is customer loyalty and brand affinity by their consumers, which can be gained and created or maintained for the long term through delivering some of the exceptional customer experiences that you can deliver. And those customer experiences are dependent on creating context, which is nothing, but what we are calling as intelligent experiences. So, we are seeing a lot of excitement.

Aniruddha Sharma: Okay, understood. So, are you seeing larger or more integrated deals as a result of this positioning? And could just gradually improve the quality of HGS revenue mix?

Venkatesh Korla: Yes, we see every new deal that we have closed recently has AI components enabled in it. Either it is leading to running the operation and process using AI as at least 20% to 30% of the work, eventually scaling to almost 60% to 70% is what we foresee as the customers get more comfortable with AI performing the job. Or we see scenarios where a customer wants to get into intelligent experiences, leading into a large amount of additional project or additional work that is related to data and analytics. Because fundamentally to get intelligent experiences going, you need to get your systems integrated, your data quality cleaned up, and data throughput figured out. And then on top of it, the governance before you can deliver any AI driven experience. So, we are seeing a lot of the footprint of the types of work becoming more multi-towered deals. As the time progresses, we expect this to drive higher revenues and higher margins to our business.

Aniruddha Sharma: Okay, sir. Just one last question from my side. If we look at FY27 as a whole, where do you see the biggest acceleration coming from? Is it from the existing client-exec expansion or is it new logos or is it AI, digital or is it broadband?

Venkatesh Korla: I expect the largest expansion growth driver is in the AI digital space. But as always, existing clients drive growth because establishing a new client, gaining the credibility with that client and driving growth from that takes time. Existing clients believing in the new concept of intelligent experiences and starting to adopt AI and digital technology for their needs is where the growth is going to come from in FY27.

Aniruddha Sharma: Okay, sir. That's it from my side. Thank you for answering my question, sir.

Moderator: Of course. Thank you very much. Ladies and gentlemen, we will take that as the last question. And now in the conference, over to the Management for closing remarks.

Vynsley Fernandes: Mahesh, would you like to go first and then Venk can go last to close everything. Mahesh?

Mahesh Kumar Nutalapati: Yes, sorry I was on mute.

Vynsley Fernandes: No problem. Maybe you want to go first and then I will go and then Venk can do the honors of closing.

Mahesh Kumar Nutalapati: Sure, sure. Thank you everyone for joining us and hearing about what are our plans and how this quarter is being spanned. As I mentioned earlier, we remain cautiously optimistic with macro uncertainties and of course the client prudence where clients are waiting how AI is going to span out and what kind of contributions that is going to get in. There is a certain kind of a prudence from a client's perspective. And the 1st Quarter results also fairly reflect that. But as I mentioned earlier, our priority remains sustainable, profitable growth with continued rigor and cost, productivity, and capital efficiencies. Thank you once again for your continued trust and partnerships.

Vynsley Fernandes: Good evening everyone. This is Vynsley here. I would just like to summarize, like I started the presentation on the digital Media business, that it's been a strong quarter for the Media business, especially in terms of the broadband vertical. We are very excited with Project Ganga, Government Assisted Network for Growth and Advancement. This has entered the execution of the operational mode in Quarter 2. And at the end of Quarter 2, obviously we will be in a much better and a completely different position in terms of reporting. That is something which is right at the top of our agenda, supporting the government of Uttar Pradesh in its digital inclusion, digital transformation, and social initiative plan that goes without saying. Secondly, we are very happy that CelerityX has continued to see traction. And we will continue to invest in building this enterprise vertical.

We are seeing more and more corporates across the country looking to engage with a single window service company catering to the portfolio that is looking at the portfolio that CelerityX has. And the fact is that CelerityX, as I mentioned, is also looking, well I probably didn't, is looking to build in more products in its portfolio through engagements, through relationships, strategic alliances. And this put together will certainly improve the quality of the revenue mix, while of course Retail broadband continues to grow as we are seeing it.

The challenge for us remains on the digital television front. And we will continue to work on mitigation strategies, whether it be innovation or whether it be cost optimization. Those will remain ongoing to ensure that we continue to build a strong business over the next few quarters in the years to come.

With that, thank you very much. And over to my colleague, Venk, for his closing remarks.

Venkatesh Korla: Everyone, thank you so much for taking the time to be on this call and listening to the progress and where we are heading. I am very optimistic, albeit with the caution about the macroeconomic situations and the changes happening in the market. We think that we are very well positioned for capturing the future opportunities that are there and continuing to drive growth. Thank you so much for being on the call.

Moderator: Thank you very much. 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.