

Date: August 7, 2025

To,  
**BSE Limited,**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, PJ Towers,  
Dalal Street, Mumbai – 400 001  
**Scrip Code: 544414**

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra- Kurla Complex,  
Bandra (East), Mumbai – 400 051  
**NSE Symbol: BLUSPRING**

Dear Sir/ Madam,

**Sub: Transcript of Earnings Call – Q1 FY26**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Call held on August 1, 2025. The above information is also available on the website of the Company at <https://bluspring.com/financial-information/>

Kindly take the above information on record.

Thanking You,

Yours sincerely,  
For **Bluspring Enterprises Limited**

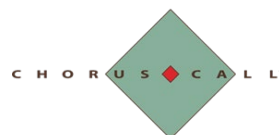
**Arjun Makhecha**  
Company Secretary & Compliance Officer



Bluspring Enterprises Limited  
Q1 FY '26 Earnings Conference Call  
August 01, 2025



IIFL CAPITAL



**MANAGEMENT:** **MR. KAMAL PAL HODA – EXECUTIVE DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – BLUSPRING  
ENTERPRISES LIMITED**  
**MR. PRAPUL SRIDHAR – CHIEF FINANCIAL OFFICER –  
BLUSPRING ENTERPRISES LIMITED**  
**MR. NITISH PUROHIT – HEAD INVESTOR RELATIONS –  
BLUSPRING ENTERPRISES LIMITED**

**MODERATOR:** **MR. SIDDHARTH ZABAK – IIFL CAPITAL SERVICES  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Bluspring Enterprises Limited Q1 FY26 Results Conference Call hosted by IIFL Capital Services Ltd. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Siddharth Zabak from IIFL Capital Services Limited. Thank you and over to you, sir.

**Siddharth Zabak:** Ladies and gentlemen, good morning and thank you for joining us on the post Q1 FY26 results conference call for Bluspring Enterprises Ltd. It is my pleasure to introduce the Senior Management team of Bluspring Enterprises Ltd, who are here with us to discuss the results. We have Mr. Kamal Pal Hoda, ED & CEO, Mr. Prapul Sridhar, CFO, and Mr. Nitish Purohit, Head Investor Relations.

We will begin the call with opening remarks by the management team and thereafter, we will open the call for a Q&A session. I would like to now hand over the call to Mr. Nitish Purohit to take proceedings forward. Thank you and over to you, Nitish.

**Nitish Purohit:** Yeah, thank you Siddharth. Good morning everyone and welcome to Bluspring Enterprises' inaugural earnings call for the Q1 FY26 period. Please note that today's discussions may include forward-looking statements which are based on current expectations and are subject to business risks, regulatory changes, and macroeconomic conditions. These statements should be read in conjunction with the Safe Harbor Clause outlined on slide 2 of the investor presentation. With that, I'll now hand over the call to our CEO, Mr. Kamal Pal Hoda for his opening remarks. Over to you, Kamal.

**Kamal Pal Hoda:** Thank you, Nitish. Good morning everyone. Thank you so much for joining us today. It's a special moment for all of us at Bluspring Enterprises Ltd. This is our very first analyst call as an independent entity and I couldn't be more excited to share our journey with you. With the demerger now behind us, we are stepping forward with a renewed sense of purpose, a sharper vision, and a strong commitment to create long-term value.

Before we dive into Q1 numbers, I'd like to take a few minutes to walk you through our business segments, especially for those who are new to Bluspring. Let me start with the largest segment, facility and food services. This business forms the backbone of our operations, contributing 60% of our overall revenue.

On the facility side, we are led by our brand, Avon. We manage housekeeping, technical services, landscaping, and pest control across 7,000 plus sites serving 650 plus customers. On the food side, our brand, Indya Foods, serves 180,000 meals every day across 90 sites through a mix of onsite and central kitchens. Our clients include some of India's leading hospitals, education institutions, industrial parks, and corporates.

Next, we have telecom and industrial services business, which contributes 19% of our revenue, and it's a high margin business for us. Our industrial services led by legacy brand, Hofincons, with 47 years of existence, the team handles operations and maintenance, as well as installation

and commissioning across sectors like ferrous, non-ferrous, power, and green industries. The telecom vertical led by Vedang, again a legacy brand, supports network deployment, assurance, and tower infrastructure management for major telecom players. I'm proud to state that we manage 237,000 network nodes per month. Our third segment is security services led by a brand, Terrier security services, which contributes 19% of our overall revenue. Here, we provide man guarding and electronic security across 2,200 sites, and we are present in 24 states, giving us true pan-India coverage. And finally, through Bluspring, we hold an investment in foundit, an AI-powered job search platform. Foundit contributes presently 2% of our revenue and is reported under our investments vertical.

What makes Bluspring unique is the breadth of our services and our national reach. With over 85,000 plus employee strength and 21 locations across India, we are proud to be a well-diversified infrastructure management company. We have more than 1,000 customers spread across key verticals such as education, healthcare, BFSI, industrial, commercial space across the nation. Our top 30 customers account for just 48% of our revenue, and six industry segments contribute 10% or more to our revenue, which helps us stay resilient against sector-specific or client-specific slowdowns. I want to emphasize that safety, health, and environment of our employees remain one of our top priorities. As part of this commitment, we conducted over 6,000 training hours for our associates in Q1. As I mentioned earlier, our customers also recognize our dedication evident in the safety awards we receive for maintaining high standards across our operations.

Now, let me talk about how we performed in Q1. Excluding our investments vertical, revenue stands at INR777 crores. It grew 13% year-on-year, though we saw a 1% quarter-on-quarter dip, mainly due to seasonal softness in food and telecom business. EBITDA is at INR24 crores, declining 11% year-on-year and 4% quarter-on-quarter, and that's largely because we experienced a seasonal slowdown in some of our high-margin businesses. And also, we made strategic investments in building out our sales and leadership teams post-demerger. That said, we've already seen momentum. We've added 46 new clients for this quarter with an ACV of INR93 crores, which sets up well for the coming quarters.

Moving on to segment-wise updates, starting with Facilities and Food. This segment had a solid quarter. Revenue grew 13% year-on-year, thanks to 22 new contracts with an ACV of INR73 crores. We saw strong traction in industrials, government infra and healthcare. On a quarter-on-quarter basis, growth was flat, mainly because of higher education institutions were closed in June and July, which impacted our Food business. Education currently contributes 37% of our Food revenue. So, this seasonal dip is expected. We anticipate a return to normal run rate from August onwards. A proud moment for us, Goa Airport, which we manage under our IFMS portfolio, was recognized by Skytrax as the cleanest airport in India and Southeast Asia in the 5 million passenger category. That's a testament to our operational excellence and HSE standards. Looking ahead, we are setting up a new central kitchen in Bangalore in Whitefield area, which will be operational by Q3. This will help us expand our footprint in corporate offices and GCC region.

Next segment, Telecom and Industrial. This segment continues to perform well. Revenue grew 20% year-on-year, with Telecom alone growing 32% year-on-year, a clear sign of strong

execution and customer trust. Quarter-on-quarter revenue dipped slightly due to seasonal factors. To give some perspective of the industry, Q1 usually is a soft quarter with delayed network rollouts by telecom players, which is a recurring trend this year as well. However, we expect stronger performances in the coming quarters. We are deeply committed towards HSE standards, and I'm proud to mention that our Industrial O&M business received five recognitions from clients for safety excellence, a great validation for our commitment to best practices.

Coming to Security Services, we saw steady growth here in this vertical. Headcount increased 10% year-on-year and 3% quarter-on-quarter, with most additions in industrial and healthcare sectors. Revenue grew 8% year-on-year and 1% quarter-on-quarter. We now hold PSARA licenses across 24 states, enabling us to offer compliant and scalable security solutions nationwide. We recently launched a "Smart Homes" program and a new training center for our guards in South Bangalore in Q1. With our sales investments now complete for this business, we expect stronger results starting next quarter onwards.

Moving on to foundit, our AI-powered job search platform is making good progress. Revenue grew 6% quarter-on-quarter and organic job postings also grew to 131%. Recruitment search and six-month active users grew 11% and 9%, respectively. With continued sales effort and cost optimization, we are confident of achieving our business goals in the second half of the year for foundit.

Before I hand over to Prapul for the financial deep dive, I want to leave you all with our long-term ambition. We remain committed to delivering 3x of GDP growth, 6% EBITDA margins, and 20% return on equity because these three are our guiding stars. We have taken the first step towards this goal, and with the dedication of our teams, the trust of our customers and support from all of you in the investor community, I'm truly optimistic about what lies ahead. With that, over to you, Prapul.

**Prapul Sridhar:**

Thank you, Kamal. A very good morning to everyone and thank you all for joining our first earnings call. I will begin by taking you through our consolidated financial performance, excluding foundit, before discussing segment-wise results and other corporate updates. For the quarter ended June 30, 2025, we reported a revenue of INR777 crores, a 13% year-on-year growth and almost flat quarter-on-quarter. Year-on-year increase was driven across all business verticals. From a geographic perspective, nearly 45% of our revenue base continues to come from South, where our institutional relationships and Food Services footprint are very strong. The North contributes around 25% and the remaining share is almost equally spread between West and East.

EBITDA for the quarter stood at INR24 crores, which is down 11% year-on-year and 4% sequentially. Now, a key reason for this decline, apart from the seasonal softness in our high-margin Food and Telecom business, is that this is the first quarter where the impact of wage inflation has kicked in across the organization. Second, we saw joining bonuses and onboarding costs across both businesses and corporate leadership roles, especially as we strengthened our team's post-demerger to support our next phase of growth.

Adjusted PAT for the quarter stood at INR13 crores, increased 14% sequentially and down 5% on a year-on-year basis, translating to an EPS of INR0.9 per share. With key investments in sales and leadership now in place, following the demerger, we are well positioned to drive growth alongside margin expansion through the remainder of FY '26.

Let me now walk you through our segment-wise performance. Facilities and Food Services continues to be our largest segment, contributing around 60% of the total revenues. We reported INR476 crores in revenue, up 13% year-on-year and flat sequentially. Our focus here is on large deals from few emerging spaces like industrials, GCC, government and public infra and stronger aggregated tie-up for growth in high-margin clients. EBITDA delivered INR19 crores, a 20% increase sequentially, down 5% year-on-year basis. Other than people investment, one of the other reasons contributed to us yearly is towards a stringent estimated credit loss policy versus last year, on a quarterly basis. Our high-margin Food Services business also goes through a dip in education sector as told by Kamal.

In Telecom and Industrial Services, we delivered INR152 crores in revenue, up year-on-year by 20%. EBITDA stood at INR12 crores year-on-year up year-on-year by 7%. Sequentially, we are lower in revenue on EBITDA as we expected. This is owed primarily due to Telecom roll-out delays as a practice. Many network expansion activities face pick-up in subsequent quarters with a heavy tilt towards the H2 of any financial year. We are also happy to report that Telecom revenue now has approx 13% of its revenue coming from annuity contracts versus projects, up from a single low digit last year. Our Industrial business continues to expand through O&M contract in renewables, green energy, utilities and manufacturing sectors where uptime and compliance are mission critical.

In our Security Services, we delivered INR149 crores in revenue up 8% on a yearly basis and 1% on a quarterly basis. EBITDA stood at INR4 crores, a 27% decline yearly, but a sharp 86% increase sequentially. While the current margin trajectory in this vertical is in the range of 2.5% to 3%, we are driving focused targets to enhance margin via reduction of cost-to-serve, contract rationalizations and also move towards hybrid tech-enabled guarding service offerings.

Moving on to investments in foundit, we reported revenue of INR20 crores up sequentially by 6%. Burn in the operational EBITDA level has also improved to INR16 crores, excluding ESOPs, a 37% improvement from Q4. We have triggered cost optimizations and sales growth initiatives and are seeing early successes. We are confident that we will achieve a breakeven as per the earlier stated timeline in H2.

As we move forward in our journey as an independent listed company, our focus remains crystal clear - drive profitable growth, strengthen our cash flows and uphold the highest standards of corporate governance. With that, I conclude the financial update. Thank you all once again for your time and continued support. I will now hand it back to the moderator for question-and-answer session.

**Moderator:**

Our first question is from the line of Siddharth Zabak from IIFL Capital Services Limited.

**Siddharth Zabak:**

My question is on margins. We have seen year-on-year margin contraction across all segments. While I understand that the Telecom vertical is seasonally weak due to less Telecom rollouts this quarter, could you elaborate on the key factors that lead to margin pressure in the other segments? And my second question is on foundit. What are the drivers which will drive revenue growth in foundit in the second half of the year?

**Kamal Pal Hoda:**

Thanks Siddharth for your questions. Kamal, I'll take your questions. So starting with margins, Siddharth, as you know, the overall margins is a combination of the mix of businesses that we've got and you're absolutely right. Quarter one we reported 3.1% margins due to low season for two of our high margin businesses. Telecom, as explained on the call, and Food also, we have seasonality in quarter one, because, as I explained during my speech, 37% of our Food revenue is dependent on education businesses and with June and July being holidays, the business comes back to its normalcy in the month of August.

As we speak, we expect from the present 3.1% that we started this quarter, we have actions to take the business on an overall basis to an exit of this year to close to around 4%, which would mean 100 bps margin increase across our businesses. And in addition to cost rationalization that we are doing, we are also looking at the right mix of businesses that we operate. Within each business, Security, which almost contributes 19% of our overall revenue and operates at below 3% margin, we expect that by year-end, through escalated growth in some of our other verticals, the overall revenue share of the Security business should deteriorate from 19% in the mix to 17% in the mix, which would also increase the margins. Within the Security business, which is the lowest margin percentages business for us right now, we are expecting to move from a 2.5% to in excess of 3% within this financial year. As explained, Telecom, Food and Industrials are expected to pick up from Q2 onwards, which will help us progress our journey from 3% right now to an exit of 4% margin.

Moving on to your question on foundit, there are three separate levers that are already in action for us to confidently tell you that we expect the breakeven as explained in the call in the second half of the year. First and foremost is the revamped product itself, where we have worked on the recruiter UI/UX for a simplified design. We have improved the search relevance, enhancing job applications by candidates, and reduced our site latency by at least 25%, which makes us believe that this is a far more superior product now to what it was in the previous years. Cost, there have been some strategic cost levers that we have done, including the cloud and the office rentals, and the cost base has significantly come down. And finally, on the sales, on the back of a revamped product, there is a significant investment in the sales leadership, which is happening right now, which makes us believe that from the present INR20 crores of revenue a quarter by the end of quarter three, we should be hovering around INR30 crores to INR35 crores, which will also be a cost base for foundit by end of quarter three, which is where we believe we should be able to achieve the breakeven.

**Moderator:**

Our next question is from the line of Zaki Nasser, an individual investor.

**Zaki Nasser:**

Sir, my first question, sir, would revolve around the branding of Bluspring as a change from spin-off of Qess Corp, sir. How do you propose to handle that? Because I think that will take some time. Because when I've seen some of your guards, they're still with the Qess logo. So,

would you want to change that in a hurry or you will take your strategy going forward for that, sir?

**Kamal Pal Hoda:** Sure. So, thanks for this question, Zaki. Unlike Quess, Bluspring is a house of brands. We have some very well-established brands for each of the service lines we operate. To take a couple of examples, Hofincons in the industrial asset maintenance space is a brand which has existed for over 46 years and has got a phenomenal brand recall value and a customer trust. Similarly, other businesses that we operate in Avon, Terrier, have had brand legacies for more than two decades. So, we intend to nurture these brands and take Bluspring ahead as a house of brands, endorsing the overall brand architecture. As we started as a fresh entity from 1st of April, there is a brand development roadmap that we have put in place, starting with our brand definition, standardization, brand presence, and then we expect to relaunch all these brands with more meet by Q3 of this year. I hope that answers your question, Zaki.

**Zaki Nasser:** Yes, sir. No. But in terms of the other branding also, sir, you would carry the Quess brand for some more time?

**Kamal Pal Hoda:** No. We have given up, as part of the legal demerger, Zaki, we have given up the Quess brand from 1st of April. When you mentioned that you still see some of the uniforms of associates still wearing, the whole legal process goes through a novation of contracts, and for a few of our customers, specifically on the government side, we expect the novation activity to get completed by the current quarter, which is where the whole uniform branding will also undergo the change.

**Zaki Nasser:** Yes. And the next question would be, sir, about foundit. What is the holding of Bluspring and foundit, sir, and would you ever consider taking it off the balance sheet?

**Kamal Pal Hoda:** So, the present holding is close to around 70%. We continue to believe in the story of foundit, Zaki, that is what I can say on this call. So, our primary target in the short-term is to scale up revenue and reach to a breakeven stage over the next couple of quarters, which will give us a lot of confidence and also to the larger investor community who have invested in Bluspring.

**Moderator:** Our next question is from the line of Kaustav Bubna from BMSPL Capital.

**Kaustav Bubna:** Yes. Thank you so much for taking my questions. So, my first question is, I'm trying to understand what you mean by there was seasonality in the Food business affected your numbers, because if schools are shut in June and July, that would have happened last year also in June and July. So, then why is there a year-on-year deterioration in performance because of that? Seasonality would impact quarter-on-quarter, not year-on-year, right? So, could you explain that a bit?

**Kamal Pal Hoda:** Sure, Kaustav. You see, our Food and Facility business on a year-on-year basis from a revenue standpoint has definitely grown 13%. It is flattish quarter-on-quarter from a revenue standpoint and that explains the seasonality. I think your question if it is on the margins as to why margins do they have increased quarter-on-quarter, but year-on-year they have dipped is on account of the investments that we have done in the new leadership post-demerger in the entire Facility and Food business.

We're also revamping our old central kitchen and also investing in a new central kitchen. These investments will start giving returns from Q3 onwards as explained in my call, leading to additional revenue and better margins.

**Kaustav Bubna:**

Excellent. Thank you so much for that clarification. My second question is, foundit. I think, correct me if I'm wrong, but first you all have said you all will breakeven in FY '25. Now you're saying end of second half FY '26. Internally, I mean, being senior management, could you give some color as to why this delay has happened? Why has it taken longer than expected to breakeven? And how would you give investors like us confidence that, you won't just keep delaying your projections to breakeven and it'll actually breakeven and it'll actually start growing? Could you give some confidence over there?

**Kamal Pal Hoda:**

Sure. Thanks for that question, Kaustav. So like you, I think, we're also spending enormous amount of time and management bandwidth towards foundit, which continues to be a very key investment for us. Some of the reasons for the delay in foundit, in addition to let's say the macro factors, as you would know, in job boards, IT industry continues to be a very key industry, and so is the case with foundit. And for last couple of years, we have seen how the IT industry has performed. So I think other than, let's say, the external and the macro factors which have contributed towards it, we wouldn't shy away saying that, we had to invest a lot on our products and the search engine capabilities of our products, which we have done. As explained during the call, what we have right now is a revamped recruiter UI/UX with a simplified design, a very improved search relevance, enhancing job applications, and a lot of matrices around that we follow are all looking very positive. We have relaunched this product last week to top 10 of our customers and the feedback has been very, very encouraging. It has also led to, reduction in the site latency by 25%. So some of these factors do give us the confidence for us to believe that we should be able to achieve the breakeven by Q3 of this year, and not even Q4.

**Kaustav Bubna:**

Okay, and my last question, my last question is, at what scale, you're saying INR35 crores a quarter, right? You will breakeven approx. At what scale can, firstly, what -- at what, what good, what margins can this, can foundit actually achieve at full scale? That's the first question. And at what revenues would foundit have to do to achieve those margins?

**Kamal Pal Hoda:**

Yeah, that's too much into future Kaustav. But let me make an attempt. Like I said, the immediate priority is, reach quarter 3, reach to a INR30 crores to INR35 crores of revenue number, which is a healthy number for us to breakeven from a cost standpoint. We'll continue to invest. So I think for over next 12 months to 18 months, whatever we're going to earn from this business, we want to keep investing back into this business for its growth. This space obviously is dominated by one player, and we would want to position foundit as the second credible player in the market. There's a huge runway of opportunity from a market standpoint for foundit to grow. In terms of margins ahead 3 years, I think once breakeven, we would want this platform to grow at a CAGR of 30% plus access from a top line perspective.

And cost-based for platform-based businesses are generally disproportionate to the revenue growth. So we believe we have reached to an optimum cost base, and we may not need any more significant investments in terms of people or in terms of product. So the only investment

probably, over the next 2, 3 years we're going to do is towards the marketing, and which obviously will propel the future, future growth of foundit.

**Kaustav Bubna:** But you can't give some indication on what margins this could do at full scale, approx.

**Kamal Pal Hoda:** Yeah, so we know the market operates at a very, very healthy margin for the dominant player. Like I said, at a 30% CAGR growth, if you're able to grow revenue over the next 2, 3 years, I think by end of the third year, we should be in a range of 20% to 30%, 25% to 30% EBITDA margins over the course of next 3 years.

**Kaustav Bubna:** Okay, understood. Thank you so much for this reply. It helps a lot.

**Kamal Pal Hoda:** Thank you.

**Moderator:** The next question is from the line of Varun Pinto from Negen Capital

**Varun Pinto:** Hi, sir. So one thing I want to understand with the food business, I understood that it is a trend, right? Like Q1 is generally going to be weak for us, and in general, Q2 is also going to be weak for us, right? Because July is also going to be a weak month for us. But in the telecom business, is this also a seasonal thing? Or was this quarter sort of a one-off quarter where there were like fewer investments by the telecom players?

**Kamal Pal Hoda:** No, it wasn't a one-off thing, Varun. It is the trend that we have. So Vedang, while it has been with us for last 8 years, but has been in the telecom space for last 26 years. And we have seen this trend that quarter 1 are generally slow in terms of rollouts, and it picks up from quarter 2 onwards. We are already in August and we see that the momentum is picking up and we believe that if you look at our trends also for last 2, 3 years, quarter 2 and quarter 3 are significantly better than quarter 1 for the telecom business. This year is going to be a similar story.

**Varun Pinto:** Understood, sir. So this is going to happen every year, like Q1 is generally going to be a weak quarter for the telecom business as well, right?

**Kamal Pal Hoda:** Yes, that has been the trend so far, Varun.

**Varun Pinto:** Understood, sir. And then, sir, we had at the time of listing, we had given a guidance that we expect the food and the industrial business to grow at somewhere around 20% for the next year, next year or two, and the other businesses to grow at the range of about 15%. So is that still the guidance that we are sticking with?

**Kamal Pal Hoda:** Yes, Varun, that's the long-term guidance. As we put together the new entity, we are very confident that this year we should grow a high-double-digit growth on an overall basis. You are right, our focus is to grow these two businesses disproportionately higher than other businesses, which is food and industrials. And for these two businesses, we are also looking at in addition to growing organically, investing in a central location, we are also looking at inorganic opportunities in the market to the regions and the industries where we are not present. But yeah, we'll continue to hold a long-term guidance that we want to grow at 3x of GDP, we would want

to continue to grow these two businesses disproportionately higher than the other three businesses.

**Varun Pinto:** Understood, sir. And lastly, sir, last year, we had about a INR150 crores impairment loss in our P&L, right, which is not going to be there this year. So by this year, basically, even if we have no growth, our PAT is going to be higher than approximately INR150 crores, right?

**Kamal Pal Hoda:** Varun, I don't want to obviously put full year numbers. But yeah, if you see the start of the year has been very good. We've registered 123% growth in our PAT, we reported a INR12 crores positive PAT. We do not have any material one-off items. The only thing that we were carrying pre-demerger was a goodwill, which we also impaired as part of the demerger. So we do not expect any significant one-offs this year.

**Varun Pinto:** Understood, sir. That's it from my side. Thank you so much.

**Moderator:** Our next question is from the line of Sankaranarayanan from iThought PMS.

**Sankaranarayanan:** Sir, my first question is regarding your long-term objective of achieving 20% of ROE. So can you give us a breakthrough of how will we achieve this kind of ROE in terms of operating leverage payout or how can we think about this, sir?

**Kamal Pal Hoda:** Sorry, Sankar, can you repeat your question? Long-term objective on borrowing, you said?

**Sankaranarayanan:** Return on equity of 20 percentage, sir. You have stated in your presentation. So how are you planning to achieve that?

**Kamal Pal Hoda:** So, Sankar, you are right. That's a stated objective for Vision 2030. And the ROE is moving from the present 6% to 7% to 20% as an aspiration. It's on back of multiple things. Some of the factors which will lead us from a market standpoint is our vision to grow 3x of the GDP organic growth rate, do inorganic growth at opportunistic prices for our food and industrial businesses, move from the present 3% margins to a 6% plus margins over the course of next 3 to 4 years, starting with this year moving from 3% in Q1 to let's say exiting Q4 at 4%, maintaining a very healthy 50% plus EBITDA to OCF conversion and keeping our debt below 1.5x of our EBITDA.

And the mix of the businesses growing the high margin businesses like food and industrials in excess to the other businesses which are lower in terms of margins from food and industrials. So we believe the combination of these four, five elements should take us to a ROE of 20%.

**Sankaranarayanan:** Got it, sir. Sir, my second question is regarding the cross-selling opportunities. So in a recent earnings call of Ques Corporation, they have stated that using Bluspring and Digitide Solutions, we could be able to cross-sell to our clients. So how would that cross-selling benefit Bluspring in the next 3 years, sir?

**Kamal Pal Hoda:** It does have a huge potential, Sankar. So within Bluspring also, there are only three or four customers right now in which we are, let's say, selling all the services of Bluspring. So within Bluspring, if you see, there's a cohort of three or four services which can be sold together, which is facility, food, security, these three. And the fourth one also, if you go to any industrial park,

Hofincons as well. So we've got a thousand-plus customer base with almost INR3,000 crores plus revenue work streams. And this is a huge opportunity first to do cross-sell within Bluspring. We're also engaged with Quess and Digitide, as mentioned on the Quess call, to see if we can leverage each other's customer base. What puts us in an advantageous position also, Sankar, is the breadth of services that we operate. We can actually, for any company's infrastructure management services needs, we can be a one-stop solution and a pan India player with offices across 21 cities, PSARA licenses across 24 states. So cross-sell is a huge opportunity for us over the next 2 to 3 years.

**Moderator:** Our next question is from the line of Aryan from Arihant Capital.

**Aryan:** Okay. So my question is that you stated in your call that you're going to relaunch all these products. And as comparison to last year, they are much better this year. So my question would be for these four things to keep generating revenue. Are we taking on any debt obligations or what? Can you walk me through the whole process? And like you said that you stated that they are not the same. So what's so different this year and what will be different in the upcoming years that you were saying that it puts us in such an advantage? So if you can just walk me through that, that would be a great help.

**Kamal Pal Hoda:** Aryan, if you can please come again, we lost you in between. If you can repeat your question, Aryan, please.

**Aryan:** Okay. So my question was, as you said that we have dived into four different segments, right? And you said that in comparison to FY '25, these four segments are doing much better. So my question is for these four segments to be profitable and be scalable in revenue. Are we taking any debt obligations? If so, please walk me through that. And if not, how are we planning that we are in an advantageous position? So if you can just give me a clarity on that, that would be very great.

**Kamal Pal Hoda:** Sure, thanks. So I think there are two parts to your question. One is on the debt obligations, how much debt we are taking for the growth of these businesses? And second question is, why do we believe this year would be better than last year? So on the debt side, I'll ask Prapul to respond.

**Prapul Sridhar:** So, Aryan, thank you so much. So current quarter, we have closed a debt of roughly around INR222 crores, excluding foundit, it is around INR176 crores. Now this debt has increased during the quarter, slightly little bit because of delays in innovation of contracts. We have been part of many mergers before and now de-merger. And the practice that we have seen is basically, generally it takes time for any novation of contracts to happen. So I see this as a blip for only a quarter and the water should settle down in Q2. And our long-term guidance on debt remains at 1.5x of EBITDA at maximum. So as we speak, our average debt is over around INR100 crores. We want to bring in Q2, less than INR100 crores at an average level first. And during the quarter, we'll keep reducing it. That's the guidance on the debt.

**Aryan:** Okay. Thank you so much.

**Kamal Pal Hoda:** Aryan, to your second question, see, what de-merger has done is also has allowed us to have dedicated management bandwidth to look at each of our businesses with very sharp lenses. And

for each of our businesses, we have very different growth vectors, like for FM and Food. Food I did explain over the call that we are doing both organic increase and investing in a new central kitchen and also looking at inorganic acquisitions for growth. For FM, we are looking at some very large deals and working on some emerging spaces like industrials, GCCs, government and public infra, and also expecting a very strong tie-up with the aggregators. So this is something that we are doing as a differentiation from last year. For industrials, we are looking at end-to-end O&M contracts with large manufacturing plants. We have diversified into green energy, smart infrastructure through smart meters and vertical transportation for urban mobility. In the security space, we've done significant sales leadership. In fact, the headcount increase in quarter 1 is in excess of 600, which has been one of the best quarters from a security standpoint, gives us a very good momentum into Q2. And we start quarter 2 also with a very healthy pipeline for security. These are some of the vectors for growth, Aryan, for each of the businesses.

**Aryan:** We can assume that a seasonality doesn't affect the business. Then over the upcoming quarters, we look at reducing the debt obligation.

**Kamal Pal Hoda:** Yeah, we are right now, like Prapul said, averaging at around INR140 crores-INR150 crores of average debt. We expect on the back of, let's say, a good quarter 2 and quarter 3, and also putting our novation in place, we should be able, as we progress through the year, we should be able to bring down our debt levels to below INR100 crores on an average basis.

**Aryan:** Okay, that's all from my side. Thank you so much.

**Kamal Pal Hoda:** Thank you.

**Moderator:** Our next question is from the line of Aryamaan from Prudent IM.

**Aryamaan:** Hi, sir. Congrats on listing. I just had two, three questions on my side. So I think you mentioned the dip in margin due to the investments we had done in employee cost and bonuses related to new hiring on the firm. Can you maybe just call the quantum of these investments so that we can kind of get a sense on the sustainable margins? Say, if these get into the base, what's the kind of margins we can look at for this year? So we focus on that, yeah.

**Kamal Pal Hoda:** Sure. Aryamaan, do you have any more questions so that we can take all of them together?

**Aryamaan:** Yeah, yeah. I just also, I just wanted to get a sense on, you shared your debt position. Maybe also get a sense on the cash position we have currently on a balance sheet. And then the third was on margins, actually. So if the jump from 3% to 6%, is there any scope of operating leverage that we can see here? Or are we going for higher margin contracts now? Because I'm getting a sense that there would be some operating leverage that we can find here and maybe get a sense on what margin would look like.

**Kamal Pal Hoda:** Sure. So let me attempt a couple of and then I'll pass it on to Prapul on the debt and the cash position. In terms of the margin uptake from 3% to 6%, definitely there'll be an operating leverage because we are expecting to grow at significantly higher growth rates than market as well as competition. And then there is obviously a huge base that we have already set for ourselves. So the base may not go up significantly. And then additional revenues obviously flow

more into the margins. It's also the mix of the businesses, Aryamaan, as we explained, that we want some of our high margin businesses to grow faster than the other businesses, which will also help us play. Within each of the businesses, there are a lot of margin levers. As you know, we were obviously run as a large staffing company. Some of our contracts have been on staffing models. We are also pivoting towards market models. For example, in industrial space, we are more moving towards outcome-based contracts, which we believe should help us improve our margins in that space. In the security space also, we are pivoting more towards digital security, in addition to providing man guards, which we again believe gives us superior margins at what we are making. So, some of these levers would obviously help us to move from 3% to 6%. Prapul, if you can tell the cash and the debt position as well.

**Prapul Sridhar:** Yeah. So as of now, for the quarter, the cash is around INR68 crores and the debt is around INR176 crores, excluding foundit. So, we are at a position of INR120odd crores net debt company. So including foundit, it will be around INR 222 crores of gross debt and INR68 crores of cash.

**Kamal Pal Hoda:** And lastly, Aryamaan, on margins and the quantum of investments. See, obviously for a listed company, there is a corporate structure, which is what we have invested into. But without getting into very specific as to how much investments, I think the margin guidance that you asked is, obviously we want to move from the present 3.1% to an exit of 4% this year, which we believe, with the team that we have put together and the visibility of the sales pipeline that we have, we are very confident to achieve those numbers within this financial year.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question for today. And I now hand the conference over to the management for closing comments. Over to you, sir.

**Kamal Pal Hoda:** Thank you. Thank you once again for joining us on our inaugural earnings call. We truly value your questions, feedback and continued support as we begin this exciting new chapter. We look forward to a lot of engagements with you in the quarters ahead. Thank you very much.

**Moderator:** Thank you. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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*(The document has been slightly edited to improve readability)*