"Hinduja Global Solutions Q3 FY2018 Results Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY2018 Earnings Conference Call of Hinduja Global Solutions. As a remainder, all the participant lines will be in the listen-only mode. 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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. R. Ravi. Thank you and over to you sir.

R. Ravi: Thank you Zaid. Ladies and gentlemen, I, R. Ravi, Head of Investor Relations at Hinduja Global Solutions wish all a very good evening and welcome to the Q3 FY2018 and the nine months FY 2018 post results conference call. To discuss the quarterly and nine months results, I am joined by Mr. Partha DeSarkar – the CEO of the company and Mr. Srinivas Palakotedi – the CFO.

Before we begin the conference call, I would like to mention that some of the statements made in today's conference call may be forward-looking in nature, including those related to the future financial and operating results, benefits and synergies of the company's strategy, future opportunities of the growth of market of the company's services and solutions. Further, I would like to mention that some of the statements made in today's conference call may be forward-looking in nature, and may involve risks and uncertainties.

And now, I would like to invite Mr. Partha DeSarkar to provide his perspective on the performance for this quarter and for the nine months under review. Over to you Partha.

Partha DeSarkar: Thank you Ravi. Good afternoon everyone and thank you for joining us on the call today to discuss our Q3 and nine months FY2018 financial and business performance. We hope that you have had an opportunity to review our earnings, press release and fact sheets of the reported financials, which are available under the Investors section on our website as well as in both the stock exchanges.

As always, I would like to start with an overview of the financials for the quarter, followed by the operational highlights. After that, I will hand over the call to our CFO Mr. Srinivas Palakodeti to discuss the financial performance of the quarter under review in detail. We will then open the call up for the Q&A session.

To begin with, I would like to call out the robust performance of our Healthcare vertical. The vertical in this quarter has contributed 51% of HGS' overall revenues, led by strong volumes in all key Healthcare accounts across offshore, onshore and near shore. You are aware that Open Enrolment session began this quarter and we have seen large ramp ups in the US, Jamaica and Philippines. Overall, we have added 1,800 people in this practice. We saw a significant growth in Healthcare onshore delivery this year. We expect the Open Enrolment volumes to remain robust through February and taper off in March 2018.

As you well know, Healthcare continues to be the choice of verticals for us. We have several long tenured relationships in this space. Apart from our traditional services, we are building new service capabilities in higher domain areas such as case management services, patient outreach and follow up and pharmacy benefits management. These require specialized skill sets, including coding and nursing. Our Healthcare platform business Colibrium remains a focus. We are trying to re-purpose the platform to address new business needs. A new CEO for the business was appointed in January 2018. Our platform business today is approximately US$ 50 million, with Healthcare and HRO being the predominant users of our own platforms.

Some of the early adopters of our innovation-led solutions -- robotic process automation**,** analytics and digital are from Healthcare. With these clients seeking more value, we are investing significantly in widening the scope of the innovation services. For example, we recently engaged with a top Payer, wherein we have set up a team of business analysts in Bangalore to help their business leaders in revenue collection forecast through innovative models and predictive analytics. This project would directly impact their revenue generation activities through better intelligence. Overall through, the three innovation segments are seeing good traction… Over 40 RPA projects currently, multiple analytics engagements and some key digital wins from big consumer brands. I cannot share specific revenue numbers, but revenue from RPA, analytics and digital practices has more than doubled in this fiscal.

The growth led by Healthcare vertical and onshore delivery helped us cross the US$150 million in revenue for the first time in a quarter. In dollar terms, the revenue stood at USD151.6 million, a 7.4% growth year- on- year. In rupees, the revenue for Q3 FY2018 was Rs. 9,757 million, a year- on- year growth of 2% in rupee terms and 5.2% in constant currency terms. On a sequential basis, revenue grew 3.5% in rupee terms.

EBITDA margins and profit after tax performances were muted, primarily on account of the strong Indian rupee, ramp ups in onshore healthcare, cost of empty seats in the UK and performance of the Healthcare platform business.

Since July 2017, we have had several wins, which are expected to drive growth in revenue in FY2019. We signed six new clients in Q3 across cable television, energy and financial services verticals. Broad based in terms of delivery locations -- onshore, near shore and offshore, these wins cover the entire gamut of offerings -- voice, chat, e-mail and social media. However, unlike previous years, the sales were closed a bit later in the year, thereby muting our growth for this year. Only a few months of revenue would accrue from these clients for this fiscal. The next fiscal will capture the revenue for the full 12 months.

At the end of Q3 FY2018, HGS had 191 core BPM clients and 633 HRO payroll processing clients. We have 69 global delivery centers across seven countries. Our employee head count at the end of December 31, 2017 was 46,321, a net increase of 395 over the previous quarter. With a view to achieve synergies in operations, reduction in costs and combination of resources etc, the HGS Board has approved the merger of its wholly owned subsidiary HGS ISPL with itself. The transaction is subject to requisite approvals and will have 1st April 2017 as the appointed date.

For the nine months for the period FY2018, revenue increased to Rs. 28,455 million, a year-on-year growth of 2.7%. In constant currency terms, the growth was 6% year-on-year. EBITDA was Rs. 3,022 million, EBITDA margin stood at 10.6%. Net profit was Rs. 1,438 million, net margin stood at 5.1%.

Coming to the specifics of our business in Q3, let us move to North America first:

Led by project ramp ups and new LOBs (lines of business), the US business reported a strong revenue growth in year-on-year terms for Q3. Recent wins in retail, BFSI and media verticals are likely to sustain this momentum in the coming quarters. HGS' head count in the US crossed 3,000 during this quarter.

Canada's top line continued its modest growth path. We continue to focus on increasing operational efficiency, including ramping up our Work@Home program. We have increased the Work@Home agents from 59 in September to 169 in Q3. During our earnings call earlier during the year, we had indicated the likely increase in minimum wages in Ontario province due to change in laws. With the change coming into effect from 1st of January 2018, HGS has been able to substantially address the cost increases by negotiating revised commercial terms with its clients.

Jamaica continues to report robust revenue growth, driven primarily by healthcare clients. We diversified the portfolio in terms of verticals in Q3, adding new LoBs from existing global clients in the energy and other verticals. The services offered, include a mix of digital and positional call center services.

Now moving to the UK, you will recall that the UK management team was revamped in Q2 to drive growth and improve the overall financial performance. The UK business has continued to be under pressure, even in this quarter. At the end of Q3, the UK has 611 empty seats and the focus has been on adding new clients. We have had some good wins in the last few months, including a major CPG brand and an energy firm. HGS is a preferred Crown Commercial Supplier and is pursuing contracts worth 1,500 seats of government work that is likely to tendered over the next two quarters.

Coming to Philippines, the performance of our Philippines operation continued to be strong, led by Healthcare and the holiday season in consumer vertical. In Q3, the headcount in Philippines crossed the 8,000 mark. To cater to the growing demand, we are looking at augmenting our capacity in Philippines at existing locations in Manila and Iloilo.

Moving on to the India business: The India CRM business is substantially telecom-based and we continue to see volatility in business volumes. HGS had several wins recently in financial services, consumer, retail, etc… these are expected to reduce the dependence on telecom in FY2019. Due to the change in business needs of our clients, we closed the Siliguri center in the second week of January 2018. Some of the volumes in Siliguri have been consolidated in

Durgapur while many employees have been relocated. Proposals for significant increases in minimum wages in some of the states in India, where we operate, remain an area of concern. We would take all possible measures to counter the adverse effects of steep wage increase.

Meanwhile, the HRO business continues to do well and added five new clients for payroll processing, staffing and complaints services in the third quarter .

In conclusion: We have posted a good performance for the first nine months of the current fiscal, led by business expansion among the existing clients. We expect a stronger Q4 if the rupee holds up with the pipeline looking promising, especially in healthcare. We expect to continue the trend of posting a better second half compared to the first half in FY2018 too.

I would now hand over the call to Pala to walk us through the financials in greater details. Thank you all once again for being with us on the call today. Over to you Pala.

Srinivas Palakodeti: Thank you Partha. A very good afternoon to everyone on the call and thank you all for joining on our Q3 FY2018 earnings call. Even though I have clarified in the past, for the benefit of those who were not present earlier, I am clarifying the methodology of EBITDA computation and presentation.

The results for Q3 of FY2018 and nine months ended FY2018 are published as per SEBI guidelines and as per Schedule 3 of the Companies Act. As per Schedule 3 of the Companies Act, if a company has forex gain, then the same is added to the other income… if there are forex losses, then the amount is added to other expenses. However, for the purpose of this discussion, and primarily to enable a like to like comparison, EBITDA and EBITDA margins have been computed, excluding the FX losses.

Now I turn to discussing the financials of Q3 and year-to-date:

Driven by US onshore, India International and the Healthcare vertical, revenue for Q3 FY2018 was up 2% on a year-on-year basis and higher by 5.2% on constant currency basis. On a sequential basis, the Q3 revenue were up 3.5% in rupee terms and 3.8% in constant currency terms. Revenue for the quarter crossed the $150 million mark, and stood at $151.6 million. During the first nine months of FY2018, we have achieved a revenue growth of 6.2% in constant currency terms and 2.7% in rupee terms. While growth in FY2018 may appear muted, especially in rupee terms, based on new logo wins during the second half of FY2018, we expect revenues to pick up going forward.

In Q3 FY2018, there were no major adverse currency movements as the INR to USD appreciated by just 0.12 paisa over Q2 FY2018. In Q3 FY2018, INR to CAD appreciated by 2.5% while on the other hand INR to GBP depreciated by 1.9% over Q2 FY2018. The overall rupee appreciation of 5% over Q3 FY2017 led to Q3 rupee revenue growth being muted. The strong performance of US onshore, Jamaica and India International, mainly driven by the Healthcare clients has led to revenue billed in USD currency going up from 66% of Q2 FY2018 revenues to 69.3% in Q3 FY2018. Thus, revenues billed in USD currency in Q3 FY2018 were up by 8.7% on quarter-on-quarter basis. The share of onshore revenue including India domestic, and driven by onshore Healthcare delivery increased from 52.1% in Q2 to 53.6% in Q3. Share of offshore and near shore revenue has dropped from 47.9% in Q3 FY2017 to 46.4% in Q3 FY20-18.

You are aware of the dynamics of Indian telecom market. The softness in telecom volumes has led to India's CRM business declining by about 1.6% in Q3. As we continue to add non- telecom clients for the India domestic business, we expect the dependence on telecom clients to decrease.

On a year-on-year basis, we are seeing strong growth in revenue from healthcare, media and BFS verticals. There has been a drop in the telecom and technology verticals, while a growth in other verticals has been muted. This trend is similar for sequential basis growth where the growth has come from healthcare and BFS verticals, while other verticals has been negative or soft in the revenue growth.

As a result of the headcount additions in the US and Canada in Q3 FY2018 and hiring in anticipation of new business as well as on account of increase in minimum wages in some of the states we operate in India, the employee costs, which were trending down in absolute terms for the last couple of quarters has increased on a sequential basis. This is despite some recent cost rationalization initiatives and improvement in operational efficiencies. We would like to share with you that the minimum wage increase in Ontario province of Canada has come into force from January 2018 and HGS has been able to substantially address the cost increases by negotiating revised commercials from the clients.

During Q3 FY2018, HGS repaid gross debt of Rs. 206 million and for the nine months ended December 2017, repaid debt of Rs. 1,049 million. Gross debt at the end of Q3 FY2018 stood at Rs. 5,508 million while net debt stood at Rs. 842 million. The net debt to trailing 12 months EBITDA has increased slightly from 0.6 for Q2 to 0.2 at the end of Q3.

As the company has been repaying debt, the interest outflows of Q3 FY2018 stood at Rs.80 million as compared to Rs. 104 million for Q3 FY2017.

During the quarter ended December 2017, HGS received income tax refunds of Rs. 185.7 million. HGS also received interest on tax refunds of Rs. 86.7 million. The interest on tax refunds helped to significantly ,but not completely , make up for the FX losses of Rs. 116.5 million. Consequent to the completion of tax assessment, receipt of tax refunds and review of tax provisions, the company reversed excess tax provisions of Rs. 102.2 million. Backing off the tax reversals, tax rate for the quarter would be 31% of profits before tax. PAT for the quarter was Rs. 489.7 million, PAT margin for the quarter is 5% at approximately the same level as Q3 of FY2017 and lower than 5.7% of Q2 FY2017.

During Q3 FY2018, HGS incurred capital expenditure of Rs. 160 million as against Rs. 433 million in Q2. While CAPEX for Q3 was lower than Q2, we expect CAPEX in Q4 to be higher. On year-to-date basis, cumulative CAPEX was Rs. 984 million. For the nine months ended 31st December 2017, EBITDA to free cash flow conversion stood at 36%. This conversion of EBITDA to free cash flow of 36% excludes tax refunds of Rs. 230.6 million received during the period.

Receivables at the end of Q3 stood at 72.7 DSO days, marginally higher than 72.5 DSO days at the end of Q2. Business ROCE, which excludes the treasury income and treasury surplus for the quarter, was 15% and on year-to-date basis stood at 16.5%. Business ROCE for Q3 was adversely impacted by FX losses. On account of lease expiry and as a result of the consolidation in some of the sites, the number of seats decreased by 1,000 and stood at 34,975 as at end of December 2017.

Seats on OPEX model, while remaining unchanged in terms of numbers, stands at 16.4% of total seats as compared to 16% of total seats at end of Q2, and significantly higher than 12.6% at end of Q3 FY2017. Headcount increased by around 400 during Q3; Of the total headcount, around 64% are in India, 18% are based in Philippines, 11% in USA and Jamaica, 4.6% in Canada and 2.6% in UK. Compared to Q2, headcount has increased in Philippines, US, Jamaica and Canada while headcount has reduced in India and UK.

To sum up: The Board of HGS at its last Board Meeting has approved the merger of its wholly-owned subsidiary of HGS ISPL with itself. This has been done primarily to achieve synergies in operations, reduction in costs and consolidation of resources. This transaction is subject to requisite approvals and will have 1st April 2017 as the appointed date.

With this, I would like to open the call for the Q&A session. Thank you very much.

Moderator: Thank you sir. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: Sir, three questions – one is on the telecom vertical… when can we expect this decline to stop in this particular vertical? Second was on your cash balances. Now that we are going to be debt-free hopefully by Q4, what should we expect? Like is there a chance of a higher dividend payout or would you be open to more acquisitions? And third is on the margin; now that the subsidiary integration is done, is there any outlook for FY2019 EBITDA margin?

Srinivas Palakodeti: Mohit, I will take these three. The telecom vertical's actually a mixed-bag; there is a decline in volumes in India which you are aware of and the circumstances are also something that I am sure you are aware of. This is driven by the two large telecom clients that we have in India, so you can see the direct impact of that. Globally though, we have just signed up one large telecom client in the US in Q3, so that may balance some of the decline that we are seeing in India. That has been signed up in Q3, so there isn't too much of revenue in Q3 So, we will have to see how these things play out. So that is on telecom.

Mohit Jain: So on a full year basis, 2019 telecom segment revenues should not decline right compared to 2018?

Partha DeSarkar: We will see, because some of them are also media cum telecom clients, so our focus is trying to grow the media side of the business rather than the traditional telecom business. And also, it is easy to grow the top line on the telecom sector; but one has to be selective to make sure that the pricing and the commercials are correct, else there could be a drop in the margin. So we are trying to find the right balance between revenue growth and margin maintenance if not expansion just for the telecom sector.

Srinivas Palakodeti: So coming to your second question on cash balance, we have been very clear at the outset from a long time that our cash balance has primarily been used up for growth, either organic or inorganic and that continues to be the area of focus. While we pay down debt, we do expect to grow either inorganically or organically. We do not at this point of time see any possibility of increasing the dividends unless something dramatically changes. So that is on cash balance.

Mohit Jain: But organically sir, right now we are growing also and the business is throwing cash as well, so should we assume it is primarily inorganic opportunity that you are looking at?

Srinivas Palakodeti: I have answered the question Mohit, I have said this is both for organic and inorganic. So yes, the business is throwing out cash and we have continued to grow. So there is need for us to be able to fund our growth in the future and also to grow inorganically.

And margin outlook is a function of where the trend line of the rupee is. It has strengthened quite a bit, you have to wait and see how that thing changes going forward. So right now, our business mix has three businesses that do not contribute. In the UK, we have losses, Colibrium we have some losses and there are some start up expenses for our US Onshore Healthcare business. So, as and when we turn around those businesses, we expect about $4 million - $5 million of EBITDA coming back. So that is one margin lever that we can pull, and the balance is of course up to how the rupee behaves going forward.

Mohit Jain: Sir at current currency rate assuming it stays stable, margin should remain mostly stable or do you see this 4- 5 million incrementally helping you in the margin front if we turn profitable in those segments?

Partha DeSarkar: We cannot give specific guidance but theory is if these businesses were to improve, or stop making losses, they would definitely add to the overall margin.

Mohit Jain: Lastly, there was a cost increase in this particular quarter on a sequential basis in other expenses or SG&A, was there any one time included in there?

Partha DeSarkar: No, it is general growth. There is catch up on the manpower expenses as we are hiring people to cope for the new wins as well as the Open Enrollment season. Along with that, there would be the associated costs of training and hiring expenses, etc. So, they are all related.

Mohit Jain: On a year-on-year basis, there was this movement of entire margin erosion was on account of other or SG&A expenses but this is the new normal, is it?

Srinivas Palakodeti: Yes when you look at it at the overall level. Sometimes there is a little bit movement in the classification but if you look at the employee cost clearly, there is a year-on-year growth of 4.6% on a year-to-date basis. Other operating expenses are up only by 0.86%.

Moderator: Thank you. The next question is from the line of Subhankar Ojha from SKS Capital. Please go ahead.

Subhankar Ojha: So can you talk about a bit on the contraction of this quarter margin; one, you said the appreciation of currency, but I missed two other points which Partha has mentioned. Can you please repeat that?

Partha DeSarkar: So there are three businesses currently in our portfolio that lose money – one is the UK business. The other one is the Colibrium business; since ObamaCare did not get revenue in its full form, that business has been under pressure, and the third one is the start-up expenses for our US onshore Healthcare. Our Healthcare business has traditionally been offshore; we just started building our onshore Healthcare businesses as well. So there are some start-up costs related to the Onshore Healthcare business. So between these three businesses, there is a drain of $5- $6 million at an EBITDA level and we expect to get these businesses to turn around. As and when these businesses achieve turnaround, we expect that we would be able to get an incremental $5- $ 6 million of EBITDA from these three businesses.

Subhankar Ojha: And sir, UK business last quarter conference, you talked about a turnaround in calendar year 2018. Where are we in that? And are we going to see significant improvement there in UK operations?

Partha DeSarkar: I think Q4 is going to be a little better, but so far as full turnaround is concerned, we are trying to see if we can get a complete turnaround in FY2019.

Subhankar Ojha: Sir the start up cost that you said, which is related to the US onshore Healthcare was it in Q3 or is it something which will be there in this quarter, also? Was it a onetime kind of cost?

Srinivas Palakodeti: It is primarily Q3, because the way it works is something like this -- the work which requires a fair amount of training could take 4 to 6 months for the agent to be trained so that he reaches the required level of delivery and operational efficiency. So that is the cost which we are carrying. In the past, this kind of work has been done in India, Philippines, where the cost impact is less. But as we go through the learning curve, we expect the impact of these costs to taper-off as we go into Q4.

Subhankar Ojha: And sir, we have a bit of seasonality in our business seasonally, March is a strong quarter for us, isn't it?

Srinivas Palakodeti: Yes, traditionally Q4 is the better quarter than Q1, Q2.

Subhankar Ojha: Are we directionally going to do better in terms of on a year-on-year basis?

Srinivas Palakodeti: Yes, a lot of it depends on where the rupee is during the course of this quarter. But based on what we can see, if you back off any adverse impact of the rupee there, we expect Q4 margin to be better than Q3.

Subhankar Ojha: And sir, anything on the payout policy because we will be almost a net debt-free company in next two quarters or so. Would there be any changes in our payout policy, it is the Board is to take a call.

Srinivas Palakodeti: Finally, the Board has to take a call, but as Partha said, our focus has been on debt reduction growth and we continue to evaluate on the acquisition side. So we will see how things play out. But based on what we can see, we would think dividend is likely to be in this rate, but finally it is for the Board to decide.

Moderator: Thank you. The next question is from the line of Madhu Babu from Prabhudas Liladhar. Please go ahead.

Madhu Babu: Sir on the Healthcare which is seeing a good growth. So, is it mainly the existing clients, where you are getting more of new work or any new client additions have also been there?

Partha DeSarkar: There has been one new client but the growth is mostly coming from our existing portfolio businesses.

Madhu Babu: And in terms of the portfolio wise, so would you see that any other vertical gaining traction because telecom has been showing some weakness but just it has been a single vertical driving the growth as of now. So any vertical which we want to scale up in the next 2 year perspective?

Srinivas Palakodeti: We are seeing opportunities for growth on the media side, plus we have a good presence that we expect to grow in the BFS as well as on consumer - it could be e-commerce, consumer packaged goods, durables, what we broadly call CET or consumers, e-commerce and telecom & technology segment.

Madhu Babu: BFS has been a little bit static in the last three quarters any reasons for that? Any new areas where we are likely to grow there?

Partha DeSarkar: It is a function of volume, so we expect things to improve going forward.

Madhu Babu: And in terms of the employee cost how much is the on-site employee salary cost, which is non-India?

Srinivas Palakodeti: That would vary from geography to geography. It is difficult to give you a number because rates would be different from US, Canada, UK and Philippines.

Madhu Babu: And just sir lastly, on the margin, not on the quarter perspective, I think FY2014, somewhere around we had a margin of around 12.9 -13 % EBITDA margin. From there, it has been a bit volatile; we had portfolio issues on the telecom, etc. But from a 2- 3 years directional perspective, are we looking at coming back to yearly margin of 13%?

Partha DeSarkar: So if you look at FY2017, we had an EBITDA margin of around 11.9% on a like-to-like basis. The question is, we talked about businesses where we would like the performance to improve and if those could stop making losses, that's an upside of about $5 million. If we were to turnaround that further and make profits, then it would add to the margin. So, I can't give you a specific number but we have identified areas where the business needs to improve in order to help drive better margin.

Madhu Babu: And last one from my side, what is the CAPEX for this year and what is the guidance for the next year?

Partha DeSarkar: It is too early to talk about the CAPEX for next year. If you see what has been in terms of the total CAPEX achieved, that is about Rs. 984 million in first nine months. It was about Rs. 160million for the current year. But we expect this will increase in Q4. But I can't give you a specific number for Q4.

Moderator: Thank you. The next question is from the line of Giriraj Daga from KM Vesaria Family trust. Please go ahead.

Giriraj Daga: What is our seat addition plan, if I can get it geography wise?

Srinivas Palakodeti: It is too early to give specific numbers for FY2019. We are still in the budgeting process. So, it wouldn't be right to give you a number.

Giriraj Daga: Just a similar point on that, you said that you have got a new client sir. Would that all be eligible to be served from the existing facility or we will require addition for these new clients?

Srinivas Palakodeti: It depends… we do have some capacity available to service in the US. And we are looking to add capacity in India for the offshore delivery.

Giriraj Daga: And in terms of the specific cost what you were mentioning minimum wage in Canada and India also. You mentioned that the Canada we have largely been offset so should we assume that a very negligible or no impact from that margin and how about India, you are believing that some states are looking to increase. So any number you would like to give, what kind of inflation we are expected to see?

Srinivas Palakodeti: As far as Canada is concerned, rates have come in and we have negotiated commercials with clients. So we expect an overall impact of that could be close to neutral. As far as India is concerned, some states, especially Karnataka, have indicated there will be an increase in the minimum wage, but we have to see what the Gazette notification would say to get a sense of what is the quantum of increase.

Moderator: Thank you. The next question is from the line of Lalaram Singh from Vibrant Securities. Please go ahead.

Lalaram Singh: I am referring to the investor presentation Page #7, the summary cash flow statement, so from that it seems that our maintenance CAPEX every year is around Rs. 150- 200 crores which looks pretty high. So am I correct or am I misreading the statement?

Partha DeSarkar: The CAPEX for the current year to date is about close to Rs. 98.4 crores. It has definitely been higher in the previous years but as we have mentioned, we are making conscious efforts to reduce the CAPEX intensity of the business by taking more and more seats on OPEX basis rather than a pure CAPEX. So that is what our endeavor would be to continue.

Lalaram Singh: So historically, it has been around Rs. 150- 200 crores. This year for nine months it is around Rs. 98 crores so any guidance you want to give for this number going forward?

Partha DeSarkar: I think Q3 was a little less, we expect Q4 to be higher but beyond that I cannot give you a specific number.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. R. Ravi for closing comments. Over to you sir.

R. Ravi: Thank you to all the participants for joining us in the conference call. If there are any further questions or clarifications about the Q3 FY2018 or on the nine month FY2018 financials, please email me or Pala and we will be more than happy to get back to you. This is Ravi signing off on behalf of the HGS management. Over to you Zaid.

Moderator: Thank you sir. Ladies and gentlemen, on behalf of Hinduja Global Solutions, that concludes today’s conference call. Thank you all for joining us and you may now disconnect your lines.

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