



August 23, 2022

BSE Limited
Corporate Relation Dept.
P.J. Towers, Dalal Street
Mumbai - 400001.
Scrip Code: 532859

National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051.
Symbol: HGS

Dear Sirs/Madam,

Sub: Transcript of Earnings Conference Call held on August 16, 2022

This is in continuation to Q1 FY2023 Earnings Call of Hinduja Global Solutions Ltd. held on August 16, 2022.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015, we wish to attach herewith the transcript of Q1 FY2023 Earnings Conference Call of the Company held on August 16, 2022.

The transcript can also be accessed using: <https://www.teamhgs.com/investors>

Thanking you,

Yours faithfully,
For **Hinduja Global Solutions Limited**

Narendra Singh
Company Secretary

Encl : a/a.

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HINDUJA GROUP



**Hinduja Global Solutions Limited
Q1 FY2023 Earnings Conference Call
August 16, 2022**

Key Speakers:

Mr Partha DeSarkar, Executive Director and Group CEO, HGS

Mr Srinivas Palakodeti, Global CFO, HGS



Hinduja Global Solutions
16th August 2022

Hinduja Global Solutions Limited
Q1 FY23 Earnings Conference Call
August 16, 2022

Moderator: Ladies and gentlemen, good day and welcome to the Hinduja Global Solutions Limited Q1 FY23 Earnings Conference Call. From the senior management we have with us today, Mr. Partha DeSarkar - Executive Director and Group CEO and Mr. Srinivas Palakodeti - Global CFO. As a reminder, all participant lines will be in the listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rushabh Shah from Adfactors. Thank you and over to you sir.

Rushabh Shah: Thank you. Good evening everyone and a warm welcome to the Q1 FY23 Results Conference Call of Hinduja Global Solutions Limited. We are joined by Mr. Partha DeSarkar - Executive Director and Group CEO and Mr. Srinivas Palakodeti - Global CFO to discuss the Q1 FY23 results and key developments during the period. Before we begin the conference call, I would like to mention that some of the statements made during the conference of today's call, maybe forward looking in nature, including those related to the future financial and operating performances, benefits and synergies of company strategies, future opportunities and growth of the company 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. I would further like to mention that if

there is a call drop during the course of the conference call, please bear with the management. Thank you and over to you Partha sir.

Partha DeSarkar: Thank you and a very good evening to all of you who have joined us for the conference call for our first quarter earnings for this fiscal. We do have a presentation that we have posted on our website and I am going to refer to the presentation as I talk to all of you. Hopefully, you've had an opportunity to go through the presentation and are able to refer that as we go through this call.

I go to slide #3 of the presentation deck, we're happy to report a very strong revenue growth of 14.1% year-on-year. We are pleased with this number because there were many concerns raised when we divested the healthcare business whether the rest of the business has the momentum needed to grow the business. The proof of the pudding is in the number 14.1%, which I believe is a fairly handsome number. Under these circumstances, the net profit was ₹ 73.3 crores. Again, a very good number to talk about because it's 9 times the year-on-year growth on a like-to-like basis. Also our fact sheets have the comparison so that you can see for yourself. Our customer experience services and the digital solutions across all geographies are seeing robust demand.

We have rewarded our shareholders like we have done in the past, the interim dividend is ₹ 5 per share. And the total dividend outgo as a result of this announcement is to the tune of ₹ 21 crore.

So, I will now move to slide #4. It shows you the revenue growth from ₹800 crore to ₹ 912 crore. This is the 14.1% growth number that we talked about. EBITDA has had a slight dip of 16.1% from ₹ 46 crore to ₹ 38 crore, whereas a profit before tax and profit after tax has seen really good numbers.

Let me spend some time in trying to explain to you why the EBITDA has taken a hit, it is not a cause for concern. Most of the de-growth in EBITDA has come because of our Brexit support services that our UK business was doing have come down quite a bit. As you know, it's been a while that Brexit has been operational and therefore the demand for the trader support services that we use to do for the UK Government has gone down and therefore there has been a reduction in volumes from that particular contract. So that is number one.

Number two, almost all our geographies are seeing good ramp ups, also we're hiring people for the rest of the year and the hiring costs are reflected in Q1 FY23. But the revenue associated with these hirings will show themselves in Q2 FY23. So these are ramp costs that are showing up in Q1 FY23 and causing some pressure on the EBITDA. But it will convert itself to revenue and profitability in Q2 FY23. So hopefully that should address any concerns that you may have on the drop in profitability.

With that explained, I will move to slide #5, which basically gives you a flavor of how all businesses have done. The Consumer Engagement Solutions (CES) onshore in the US, Canada and UK have done well, and will continue to do well even in Q2 FY23 and in the rest of the year. Offshore segment – which is India, Philippines and Jamaica showed good growth from existing accounts. We opened up a new center in Mysore in July to meet increased demand for our non-voice support services from India and that's something the clients are very happy with.

The digital business continues its strong momentum, the business grew 57% on a year-on-year basis. Cloud & security and automation practices are the ones that are growing really well. Last year during Q1 FY22, the contribution from digital services to HGS revenue was at 9.8%; now in

Q1 FY23, it is up to about 14.3% and gives you a sense of the fact that the digital business is really growing fast. We signed about 28 digital-led engagements across existing and new clients focusing on robotic process automation, cloud, analytics, AI and digital customer experience. We are ramping up the team as well. You must be hearing from other IT firms as well that there is a big demand for labor, we are facing the same demand for labor. There is enough business available, the challenge is to hire people in time to be able to deliver revenues.

Moving to slide #6 to give you more color on “Diversify Offshore”, our Australian acquisition that we did in February. Revenue grew about 23% on a year-on-year basis and margins were 22.4% for the June quarter. The business signed up eight new logos since the acquisition in end- February, we've got a healthy sales pipeline. This is a small business that's doing really well and we are very happy with the kind of results that it is going to give.

In the last quarter, we talked about real estate footprint consolidation. A lot of work has happened in this area. There is a complicated situation in terms of what the government mandate is for bringing people back to work. For example, in Philippines, the government has mandated that 75% of the people have to come back to work and that mandate has already come through. In India also, we are heading towards a particular mandate from the government that will determine a certain percentage of people that needs to come back to work for office. It's not yet implemented, it's a little futuristic, but we will see that some of the expenses, which were low last year as we were not operating physical office infrastructure, will come back because at least in India and Philippines as the government has mandated that we need to bring people back to work.

But in the US, UK and Canada, the number of people working from office continues to be minuscule as 90% of the people are still working from home and we don't see any change in those stats at least in the next six months. So we are rationalizing our footprint. We've closed three centers in Q1 FY23, two in the US and one in Canada. Two more centers will be closed in August in Canada. Annualized savings from this is expected to be US \$640,000.

Today, we have 35 global delivery centers across seven countries. UK will move to a smaller site in Preston in Q2 FY23 that will yield an annualized saving of about US\$1 million effective Q3 FY23 and the good news is we've been able to actually sell some of the buildings that we used to own. We've sold a property in London, UK and moved to a much smaller rented place; the property in Kentville, Canada has also been sold and the proceeds have been realized. This was also sometime in August, so you will see these reflecting in our numbers from Q2 FY23. That has been our effort at real estate footprint consolidation on slide #7.

Slide #8 is a little forward looking. We do see the tightening macroeconomic environment but we remain cautiously optimistic. We believe that the coming quarters will see good growth in both revenues and profitability. We will continue our efforts at real estate consolidation to the extent that our existing leases allow us to consolidate, we are taking a very hard look at general and administrative expenses. With the sale of our healthcare business, there is opportunity for us to reduce our general and administrative expenses. We're working very hard on that and the ramp cost that I mentioned in US and Canada is expected to actually convert into revenue and profits in Q2 FY23 to Q4 FY23.

The focus continues to be on winning new clients. We have put our CES sales team and the digital sales team together so that they're selling with one go to market strategy. Our new growth would be through the hub & spoke model to leverage work from home so we will not end up with the large footprints that we've had in the past with centers of 400 - 500 seats. We are going to do smaller hub & spoke centers. We are looking at acquisitions to improve our delivery capabilities for the digital business. This is nothing new, it's something that we've been doing for quite some time. We are now evaluating acquisition candidates in the areas of analytics and robotic process automation. So that effort continues.

So far as a quick update on the merger with NXTDIGITAL is concerned, many of you would have seen that the company NCLT vide its order dated 29th of July, has directed to convene a meeting of shareholders on September 2, 2022 to consider the approval of the scheme of arrangement for the acquisition of the medium digital businesses. Our buyback of around ₹ 975 crore based on FY22 audited financials will be announced at a later date upon completion of the requisite approvals and in compliance of the relevant portion of companies Act, SEBI listing regulations and SEBI buyback regulation. We expect this to take place in the second half of FY2023.

With that, the general update that I had planned for you is now done. I am going to hand it over to Pala, our CFO, with a caveat that Pala has got a bad throat and slight fever. So if you have problems in hearing him, just ask the question and we will try our best to answer that in the Q&A section. So over to you Pala.

Srinivas Palakodeti: Thank you Partha. Welcome everyone who has joined this call. So, I will move to slide #11. This is the summary of the financial performance. Our revenues for Q1FY23 were ₹ 912 crores, representing a growth of

14.1% in Rupee terms over Q1FY22. These numbers are for the existing business of digital, CX and HRO. Since we have sold off the healthcare business, those numbers are excluded from the Q1FY22 in the revenue growth of 14.1%. If you recall, we have done the Australian acquisition of a company called “Diversify” towards end of February 2022. This was not there for the Q1FY22. In the 14.1% growth, 5.1% growth is accounted from the Diversify acquisition and the rest 9% has come in from the organic growth across different sectors.

Coming to EBITDA, Partha did talk about the reasons for the drop in EBITDA on Y-o-Y basis. But if you look at it on a sequential basis, if you look at Q4FY22, which was the first quarter post the sale of healthcare business and Q1FY22, there are some allocations, assumptions in the cost but if you look at the margins between Q4FY22 and Q1FY23, you will see there is a significant increase in the EBITDA margin from 0.6% to 4.2%.

On a sequential revenue growth basis, revenues have grown by 5.4%, out of which 2.9% came in from the timing difference of the “Diversify” acquisition. In Q4FY22, we have a little over a month of Diversify’s revenues and in Q1FY23, we have the full three months of coverage. So, the overall growth was 5.4%, out of which 2.9% is from acquisition and 2.5% is the organic growth.

Moving on to the interest expenses, we are really a zero debt company. So whatever you see, it's primarily because of notional accounting charge because of IndAS accounting treatments. The only other thing to call out is the other income... the total amount is ₹ 132.5 crore, that had ₹ 66 crore coming in from the foreign exchange fluctuation, rest is primarily coming in from interest. This foreign exchange fluctuation is basically driven by the exchange rate movement. For instance, you know that the dollar has appreciated against most of the currencies.

So, we have dollar deposits in Philippines and Mauritius, so all of them have to be measured at the rate as of 30th June 2022 and similarly, we have dollar deposits in Jamaica where the JMD has been appreciating. So this is the net impact of the overall effects of fluctuation. At the PAT level, there's been a significant growth on a sequential basis from ₹ 7.6 crore to ₹ 73.3 crore and if you see on a sequential basis, it was a marginal loss of ₹ 0.8 crore for Q4FY22, that has gone up to ₹ 73.3 crore for the Q1 FY23.

Moving on to the next slide, this is the dividend payout. The dividend for the quarter ended June 2021 was ₹ 7 per share. Keep in mind that there was a 1:1 bonus given in Q4 FY22. So there has been an expansion i.e. the equity base has doubled. So on the like to like basis, it should be seen as ₹ 10 per dividend share for the Q1 FY23. If you look at the payout ratios, the dividend outgo is of roughly ₹ 21 crores, which accounts for about 23.3% of the standalone profits or about 28.5% of the consolidated profits. Again, you will see from a payout perspective that there's been a significant increase compared to the Q1FY22.

Moving on to slide #13, this is a brief balance sheet profile. We have a net worth of ₹ 7,982 crore, our current market price is ₹ 1,346 and our share price is trading at P/E of 15 on a trailing 12 month basis. We have a notional/small amount of gross debt; effectively we are a zero debt company with about ₹ 3,372 crore of cash.

Moving on to slide #14, as mentioned, we have a small amount of debt as on Q1FY23. Our ICDs to related parties are ₹ 1,215 crore. We have cash of ₹ 3,372 crore and debt investments of ₹ 2,568 crore. This also reflects the impact of the exchange rate between 31st March and 30th June.

Moving on to the next slide, slide #15. The CAPEX for the quarter is ₹ 26 crore. Please bear in mind, the CAPEX of ₹ 158 crore for FY21 and ₹ 237 crore for FY22 are for the full years, including the healthcare business. But for Q1 FY23, we are at about ₹ 26 crore.

For DSO days, there has been an increase between March 2022 and June 2022 of about six days, but it's in line with what we have as of March 2021 and we are keeping a close tab on this. There are no areas of concern given that we have a very solid customer base.

Moving to slide #16. This is revenue by delivery location; the UK and USA continue to be the largest, US has 30%, UK has 26%, Canada is 17% and India is about 12%. The revenue by origination, US continues to be the largest at 37%, UK was 30%, Canada is at about 16%.

Moving on to revenue by verticals, with our growth in UK business, the public sector and others account for the largest one at about 34%, media and entertainment at 13%, and telecom at 15%. If you combine these two, telecom and media would come to about 28%, retail is at 19% and banking and financial services comes in at about 17%.

From a client concentration perspective, as we said earlier, post the sale of the healthcare business, there has been a reduction in the client concentration to the top customer's account to about 12%, the top five at about 40% and top 10 customers account for about 56%.

Looking at channel mix- , as Partha mentioned, we have seen very strong growth in our digital business and the share of digital has gone up from about 9% a year ago to 14%. Voice accounts for about 74% and non-voice accounts for about 12%, which is essentially what we do for our HRO business as well as some amount of non-voice work from India for international clients.

Moving to the next slide, slide #19, this is the stock price movement. This has been adjusted for the bonus issue.

Moving on to slide #20, this is the overview of the transaction with NXTDIGITAL, subject to necessary approvals. As Partha mentioned, after the Board approval and getting the necessary approvals from stock exchanges, etc., NCLT has asked for a meeting of the shareholders of HGS to be convened on September 2nd to consider the scheme of arrangement. Once the shareholder's approval comes through, we would proceed with the next set of approvals required. Just to recall, this acquisition is non-cash, and the shareholders of NXTDIGITAL will receive 63 shares of NXTDIGITAL while their shareholders will get 23 shares of HGS. On completion of the transaction, the share capital of HGS will go up from about ₹ 4.18 crore to about ₹ 5.24 crore shares. NXTDIGITAL shareholders would own 20.4% and the promoters' holdings will drop from 67% in HGS to 66.60%, as and when the NXTDIGITAL transaction is completed.

That's all I had in my section. We will now open up the Q&A session. So, I'll hand it back to the moderator for the Q&A and once again, thank you for joining on this call.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Saloni Desai from Omkar Investments. Please go ahead.

Saloni Desai: I had two questions. So are there any more M&A deals expected in this quarter or are there any in process currently?

Partha DeSarkar: I cannot give you a specific reply to that question because that's very forward looking. I'm sure you are aware of that. We continue to evaluate M&A deals on a day-by-day basis. So yes, we are looking at

evaluating M&A deals as we speak, but that is business as usual. I cannot confirm whether that is going to close in this quarter or not.

Saloni Desai: Okay, all right. And I had one more question. So digital contributes to approximately 14% to the total revenue. So, how much will digital contribute by the end of this fiscal, like can we expect it to grow by approximately 30% this year?

Partha DeSarkar: Again, I don't want to give you a specific number, but the aim is to increase the digital contribution to our revenue significantly.

Moderator: Thank you. Next question comes from the line of Anand Onea, an Individual Investor. Please go ahead.

Anand Onea: I need to understand one thing, few months back in one of the interviews, Partha said the EBITDA margin for the retained business is in two digits. But we can't see that number reflected. Second question is about the buyback, you were saying that this is a non-cash thing but the buyback is structured in a fashion that the NXTDIGITAL shareholder is also getting the buyback amount. Could you explain these two parts please?

Partha DeSarkar: Yes, so I'll answer the first part and Pala will answer the second part. Yes, our intention and our plans are to improve the EBITDA of the business for the coming quarters to a level which is minimum double digits. We are working on that, be a little patient with us. I've explained to you the circumstances under which the EBITDA has gone down this quarter but I'm trying to see by end of the year, we can get to the number that we talked about. So that's on the EBITDA side. And Pala I'll hand it over to you to take question on the buyback.

Srinivas Palakodeti: Thank you Partha. So, as far as the NXTDIGITAL transaction is concerned, the acquisition of the business has been done on a non-cash

basis without any cash outgo to the shareholders as it's been through issue of shares. As far as buyback is concerned, we had calculated the buyback amount based on the 31st March balance sheet; this is up to about ₹ 975 crores... this is something which will be done during sometime later this year, as permitted by Companies Act and SEBI guidelines for buyback and restructuring.

Anand Onea: So, to be honest with you both, the answers are not convincing. But I have two follow-on questions. One thing, you entirely ignored the cash which was standing in the balance sheet. Secondly, Partha on that interview, you were sure that the margin is at two digits and because of that, many investors entered into that but it is not being reflected. I don't think so, at the level of yours, this is not a small negligence. You should at least put these points or give a statement after your interview that a statement given by you was wrong.

Partha DeSarkar: I'm sorry, I mentioned that. Yes, our intention is to bring the profitability back to a level which is at least double digit.

Anand Onea: Please go through your interview once again.

Partha DeSarkar: I am perfectly aware of what I said, and I'm perfectly aware about what I am saying right now.

Anand Onea: What about the valuation methodology which you have used for NXTDIGITAL. Because that company is not having cash, you were sitting with so much of cash and still you only use the income methodology to value the company, why is there not a proportionate? Many large companies use both the methodologies.

Partha DeSarkar: Sorry, your question is not clear. Can you repeat your question?

Anand Onea: So, when you are valuing a company, there are three methodologies to do that, market value, asset value and income model. The asset value which would be more because of the cash was ignored when you were doing the valuation. So, I was not able to understand why that methodology has not been taken, because if a company sitting with ₹ 6,000 crore of cash has huge potential, which cannot be taken in the income model, and because of that 20% shares of Hinduja Global is given to NXTDIGITAL shareholders.

Srinivas Palakodeti: Yes, let me take that. So the valuation which you are referring to was done by two independent valuers, it's not something which the company has done and you can see the report which would explain what methodology they have taken and why they have not considered certain elements of what you're talking about. You need to look at the valuation report.

Moderator: Thank you. Next question comes from the line of Jyoti Singh from Arihant Capital Markets Limited. Please go ahead.

Jyoti Singh: My first question is on the healthcare side business. So, last time in the Q4 FY22 you mentioned that we will see gap filling in the line of 2-3 years. So are we seeing any visibility for that? And my second question is on the margin and revenue side, so how much growth we are expecting for the revenue and how much margin we are targeting going forward? As currently mentioned by the management that we are optimistic going ahead, but if anything on the numbers, can be helpful.

Partha DeSarkar: We don't give specific numbers, I'm sorry. The margins on the coming quarters are expected to be much better than what it is today and there is good demand. So, we should be seeing good growth going forward. Beyond that, I can't get into specifics.

- Jyoti Singh:** Okay. And sir on the healthcare business side?
- Partha DeSarkar:** What is the question on the healthcare business side?
- Jyoti Singh:** My question is that, in Q4 FY22 you did mention that we are expecting that the gap because of healthcare will be filled within 2 – 3 years. So are we seeing any visibility on that front?
- Srinivas Palakodeti:** Yes, once we are able to pull off some of the inorganic acquisitions which we were talking about, then we should be able to fill up the gap.
- Moderator:** Thank you. Next question comes from the line of Rahul Patalkar, an Individual Investor. Please go ahead.
- Rahul Patalkar:** Again, a question to you is that as an individual investor, I can see that you are sitting on such a high cash pile, but the dividend that you have mentioned is not going to cheer the market. And it didn't earlier as well when you sold off your healthcare business and it's not going to help this. So how do you go to make the grounds for the individual investors like me?
- Partha DeSarkar:** So what is your question?
- Rahul Patalkar:** We want to know why the dividend is so less when the cash is so high with the company?
- Srinivas Palakodeti:** There are various ways of rewarding shareholders. As of now, the buyback is the most tax efficient way of rewarding shareholders. We've already announced that; Apart from that, there is dividend which is not a very tax efficient way of rewarding shareholders. So we have actually increased dividend. If you look at our dividend, it's actually much better than what we have given previously.

Rahul Patalkar: And the buyback is going on for over six months now, it's kind of getting delayed every quarter. And we still don't hear the concrete plan, we thought it was ₹ 1,000 crore plan. Now I can see that it's around ₹ 975 crore. So there's no concrete measures taken on the buyback as well?

Partha DeSarkar: So we have continued to repeat the fact that the buyback will happen in the second half of the year and the quantum is ₹ 975 crore, we have reiterated that multiple times.

Rahul Patalkar: Can you be more specific to when the buyback is going to be announced? Why there are no steps taken in any of the earlier meetings to announce the buyback and go ahead. We're still waiting for that announcement to come officially.

Partha DeSarkar: So there is a technical reason for that, Pala can explain as to why we have to do something else first before we can announce the concrete plan for the buyback. So, Pala you want to mention that?

Srinivas Palakodeti: The scheme for arrangement with NXTDIGITAL was announced in the month of February 2022 and we have already announced that with the buyback would be based on March 2022 balance sheet. If we had done the buyback on the basis of March 2021 balance sheet, the buyback amount would have been substantially lower because the profits from the sale of healthcare business would not have come, that amount would have been somewhere in the region of about ₹ 450 crore or something like that. So to go back, we have announced the scheme of arrangement with NXTDIGITAL, and as per SEBI guidelines, when a scheme or a capital restructure is happening, there'll be an increase in share capital and because of the NXTDIGITAL transaction you cannot launch a buyback. So as soon as that is completed, we will do the buyback, which we expect to happen in the second half of the current financial year.

Moderator: Thank you. Next question comes from the line of Imran Contractor from Quantum Investments. Please go ahead.

Imran Contractor: Do we envisage a change in the amount of the buyback, given that the NXTDIGITAL business gets consolidated and a balance sheet is made again as of 31st March 2022, the net worth of the company will also increase with the increase in share capital?

Srinivas Palakodeti: You are right, so the appointed date of the transaction with NXTDIGITAL is February 1, 2022. So, we'll in fact get two months of NXTDIGITAL. If that has the bearing on the networth, we will take that into account.

Imran Contractor: Okay. Do we have any idea about how is the performance of the NXTDIGITAL business which is coming into our company in the June current quarter?

Srinivas Palakodeti: Yes, this is a company whose results have already come out. So those are available. I can send them across to you, but the results are available.

Moderator: Thank you. Next question comes from the line of Navneet Bhaiya an Individual Investor. Please go ahead.

Navneet Bhaiya: My question is regarding NXTDIGITAL. So this company has been in loss for quite a few years in the past and the free cash flow has also been negative. So, I just wanted to know, what's your plan regarding turning around this company or does this become part of HGS division and that's not a drain on the existing business of HGS?

Srinivas Palakodeti: Navneet thank you for the question. So, if you look at the year ended March 22, NXTDIGITAL as a whole was actually PAT positive and not PAT level negative; it made profits of ₹ 7 crore. It is a business which

has existing healthy margins as the EBITDA level and obviously at the business it is growing. It still requires investments in setup boxes etc. Based on what we have seen, this is a business which will do well in the coming years.

Navneet Bhaiya: What's the kind of investment that this business will require on a yearly basis to sustain or grow the revenue, I can see the CAPEX intensity is quite high in the business. So, have you done any plans for that, when it becomes a part of HGS?

Srinivas Palakodeti: We are working through that. So actually the bulk of the investment goes into setup boxes. So those boxes cost about ₹ 1,000 per setup box. And these are setup boxes, which are deployed at the customer premises, for delivery channels, internet, etc. So that's the biggest capital expenditure for this business. And those growth plans are being finalized. And we continue to look at them and see what's in the best interest of the company.

Navneet Bhaiya: So once the business becomes part of your company, I'm presuming you would repay the debt that NXTDIGITAL has of about ₹1,200 crore?

Srinivas Palakodeti: There is interest cost, there is a tax shield on interest costs, but we will see what is in the best interest of the shareholders, how much of debt we should repay and not repay. That's the decision we'll make at a later stage.

Moderator: Thank you. As there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Srinivas Palakodeti for closing comments.

Srinivas Palakodeti: Thank you, everyone for joining this call on our Q1 earnings. And we look forward to interacting with you again in sometime in end



Hinduja Global Solutions
16th August 2022

October/November or early November when we come up with our results for Q2 FY23. Thank you once again, everyone for joining this call.

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

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