

Annexure 'C' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

For the Financial Year 2015-16

[PURSUANT TO SCHEDULE V (C) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to the principles of good governance and believes that good governance generates goodwill amongst employees, customers, vendors, business partners, government bodies, regulators and society at large. Your Company has a strong legacy of conducting its business and operations in an ethical, fair and transparent manner with due compliance with laws of the countries it operates. The performance of your Company is driven by integrity, accountability at all levels and the Management is empowered to take your Company forward within this framework for the benefit of the stakeholders at large with the objective of enhancing long term shareholders' value.

Your Company complies with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"] with regard to Corporate Governance.

2. BOARD OF DIRECTORS

• Composition

As at March 31, 2016, the Board of Directors of the Company comprised of six directors, out of which three are Non-Executive and Non-Independent Directors (which includes two Women Directors), belonging to the Promoter Group and three are Independent Directors. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations. Directors belonging to the Promoter Group are related to each other. Apart from them, none of the Directors are related to each other.

The Independent Directors are drawn from diverse fields and are Members of the Committees of the Board thereby bringing their valuable perspective to the Board. The Members of the Board are active, well-informed and fully committed towards ensuring highest standards of corporate governance.

The Chief Executive Officer and Manager is responsible for the day-to-day Management of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.

Certificates have been obtained from the Independent Directors confirming their position as 'Independent Director' on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1) (b) of the SEBI (LODR) Regulations.

None of the Independent Directors hold

directorships in more than seven listed companies. Also, none of the Directors hold directorships in more than ten public companies and also none of them are members of more than ten committees or Chairperson of more than five committees across all the companies in which they are a Director.

• Details of Board Meetings held during the financial year ended March 31, 2016, attendance of Directors at the said Meetings and at the last AGM and details of Directorships and Memberships of the Board and the Committees (including that of the Company)

During the Financial Year ended March 31, 2016, nine Board Meetings were held as follows: May 20, 2015 (two Meetings), June 29, 2015, August 12, 2015, September 1, 2015, November 5, 2015, November 6, 2015, February 9, 2016 and March 30, 2016. The time gap between any two meetings did not exceed 120 days and as such the Company has complied with the provisions of the Companies Act, 2013 and of the SEBI (LODR) Regulations. Video conferencing facility has been provided to facilitate Directors travelling/ residing abroad or at other locations to participate in the meetings of the Board and the Committees of the Board.

Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on September 29, 2015	Board Membership		Committee Membership	
			Chairman	Member	Chairman	Member
Mr. Ramkrishan P. Hinduja, Chairman (Non-Executive, Non-Independent Director) – Promoter Group DIN: 00278711	8	Yes	1	2	Nil	2
Ms. Sharu S. P. Hinduja, Co-Chairperson (Non-Executive, Non-Independent Director) - Promoter Group DIN : 06512872	4	No	Nil	1	Nil	1
Ms. Vinoo S. Hinduja, (Non-Executive Non-Independent Director)- Promoter Group DIN : 00493148	5	Yes	Nil	1	Nil	1
Mr. Anil Harish, Independent Director* DIN: 00001685	4	N.A.	Nil	5	3	4
Mr. Rajendra P. Chitale, Independent Director DIN: 00015986	8	Yes	Nil	9#	5	9
Mr. Rangan Mohan, Independent Director DIN: 01116821	9	Yes	Nil	3	2	3

* Resigned with effect from May 19, 2015. Appointed at the Annual General Meeting held on September 29, 2015.

Includes four unlisted public companies

Mr. B.L. Taparia was appointed as an Independent Director effective from August 12, 2015 at the Board Meeting held on the said date and on an invitation partly attended the said Meeting. He resigned as a Director of the Company effective August 31, 2015.

Notes:

Membership of the Board and the Committees:

- I. Excludes Foreign Companies, Private Limited Companies, Alternate Directorships and Companies registered under Section 8 of the Companies Act, 2013.
- II. As per Regulation 26 of the SEBI (LODR) Regulations, Membership and Chairmanship of Audit Committee and Stakeholders Relationship and Share Allotment Committee only are considered.
- III. The terms and conditions of appointment of Independent Directors have been uploaded on the website of the Company at <http://www.teamhgs.com/investors/corporate-policies>
- IV. The details of familiarization programme imparted to Directors (including to Independent Directors) have been uploaded on the website of the Company at <http://www.teamhgs.com/corporate-governance/familiarization-programme-for-directors>
- V. Your Company has adopted the Code of Conduct for Board Members and Senior Management Personnel (“the Code”). The Code has been communicated to the Directors and the Senior Management Personnel and also has been posted on the Company’s website at <http://www.teamhgs.com/investors/corporate-policies>. All Board Members and Senior Management Personnel have affirmed compliance with the Code for the year ended March 31, 2016. As required under Schedule V of the SEBI (LODR) Regulations, the Chief Executive Officer has given a declaration to this effect. The same has been attached as **Annexure ‘A’** to the Directors’ Report.

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2016 are as under:

Name of Director	Number of shares held
Mr. Ramkrishan P. Hinduja	Nil
Ms. Shanu S. P. Hinduja	955
Ms. Vinoo S. Hinduja	61,065
Mr. Anil Harish	Nil
Mr. Rajendra P. Chitale	Nil
Mr. Rangan Mohan	Nil

3. AUDIT COMMITTEE

• **Terms of Reference**

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors (“the Board”) which includes:

Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; review and monitor the auditor’s independence, performance and effectiveness of audit process; examination of the financial statements and the auditor’s report thereon; oversight of the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; discussion with internal auditors of any significant findings and follow up thereon; review and approve related party transactions; evaluation of internal financial controls and risk management systems; reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; scrutiny of inter-corporate loans and investments, etc.

• **Composition**

The Audit Committee consisted of four members of the Board as follows:

- Mr. Anil Harish (Independent Director) - Chairman
- Mr. Ramkrishan P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Mr. Rajendra P. Chitale (Independent Director) - Member
- Mr. Rangan Mohan (Independent Director) - Member

All the members possess sound knowledge of accounts, audit, financial management expertise, etc. The Company Secretary acts as Secretary to the Committee. The invitees to Audit Committee meetings include representatives of the Statutory Auditor, Internal Auditor or his representative, Chief Executive Officer, Chief Financial Officer and such other Executives as deemed necessary.

The composition of the Audit Committee conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

• **Meetings**

During the Financial Year ended March 31, 2016, five Meetings were held as follows: May 20, 2015; August 11, 2015; November 5, 2015; February 8, 2016 and March 23, 2016. The time gap between any two meetings did not exceed 120 days and as such the Company has complied with the provisions of Regulation 18 of the SEBI (LODR) Regulations.

- **Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Anil Harish, Chairman*	3
Mr. Ramkrishan P. Hinduja, Member	5
Mr. Rajendra P. Chitale, Member	5
Mr. Rangan Mohan, Member#	5

*Resigned with effect from May 19, 2015. Appointed at the Annual General Meeting held on September 29, 2015. Appointed as a Member and Chairman of the Audit Committee with effect from November 5, 2015.

#Appointed as a Member of the Committee with effect from May 20, 2015.

Mr. B.L. Taparia was appointed as a Member of the Committee with effect from August 12, 2015. He resigned as a Director with effect from August 31, 2015. No Meetings of the Committee were held during this period.

- Mr. Rajendra P. Chitale, the then Chairman of the Audit Committee, attended the last Annual General Meeting of the Company held on September 29, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

- **Terms of Reference**

The terms of reference and the role of the Nomination and Remuneration Committee ("NRC") includes:

Formulation of criteria for determining qualifications, positive attributes and independence of directors; identification of persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board their appointment and removal; recommend to the Board appointment/ re-appointment of and terms of engagement of Independent Directors, Non-Executive Directors, Chief Executive Officer and Key Managerial Personnel and Senior Management; formulate criteria for evaluation of performance of Independent Directors and the Board as a whole, and carry out evaluation of every directors' performance and support the Board in overall evaluation process for determining appointment/ re-appointment or removal thereof; formulate and recommend to the Board the Remuneration Policy for Directors, Chief Executive Officer, Key Managerial Personnel, Senior Management as well as rest of the employees and recommend on an annual basis remuneration payable to them; devise a policy on Board Diversity and succession planning for Board/ Senior Management; oversee familiarisation programme

for Independent Directors and grant of employee stock options as per the existing ESOP Schemes of the Company and formulate and recommend to the Board for approval new employee stock options plan, as and when deemed necessary.

- **Composition**

The NRC consisted of five members of the Board as follows:

- Mr. Anil Harish (Independent Director) - Chairman
- Mr. Rajendra P. Chitale (Independent Director) - Member
- Mr. Rangan Mohan (Independent Director) - Member
- Mr. Ramkrishan P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Ms. Shanu S. P. Hinduja (Non-Executive, Non-Independent Director) - Member

The composition of the NRC conforms to the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations.

- **Meetings**

During the Financial Year ended March 31, 2016, three Meetings of the NRC were held as follows: August 12, 2015, November 6, 2015 and March 30, 2016.

- **Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Anil Harish, Chairman*	2
Mr. Rajendra P. Chitale, Member	3
Mr. Rangan Mohan, Member	3
Mr. Ramkrishan P. Hinduja, Member	3
Ms. Shanu S. P. Hinduja, Member	2

*Resigned with effect from May 19, 2015. Appointed at the Annual General Meeting held on September 29, 2015. Appointed as a Member and Chairman of NRC with effect from November 5, 2015.

- Mr. Rangan Mohan, the then Chairman of the NRC, attended the last Annual General Meeting of the Company held on September 29, 2015.

- **Performance Evaluation Criteria for Independent Directors**

During the year ended March 31, 2016, the performance evaluation of the Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated, on the following criteria: Exercise of

independent judgment/ view on potential conflict of interest of Management, Board Members and the Promoters, and safeguarding interest of minority shareholders, Understanding of nature and role of Independent Directors' performance, Offering constructive contribution to the Board discussions and deliberations based on expertise and domain knowledge, Non-partisan appraisal of issues and own recommendations given professionally without tending to majority or popular views, Commitment to role and fiduciary responsibilities as a Board Member and Attendance at the Meetings and preparedness for the Meetings.

- **Remuneration Policy**

The Remuneration Policy for Directors, Chief Executive Officer, Key Managerial Personnel, Senior Executives and other employees is in place as recommended by the NRC and approved by the Board. The objective of the said Policy is to attract, motivate and retain qualified and expert individuals the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of the Company's stakeholders. While formulating the policy, elements/ aspects as follows are considered: level and composition of remuneration to attract, retain and motivate Directors, Chief Executive Officer, Key Managerial Personnel, Senior Executives and other employees; relationship of remuneration to performance benchmarks, balance between fixed, variable and incentive pay to reflect short and long term performance objectives appropriate to the working of the Company and its goals.

- **REMUNERATION OF DIRECTORS**

During the Financial Year ended March 31, 2016, only sitting fees for attending the Meetings of the Board of Directors and the Committees of the Board (Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship and Share Allotment Committee) was paid.

Sitting fee paid to Non-Executive Directors during the Financial Year ended March 31, 2016 is as under:

Name of the Director	Sitting Fee (₹)
Mr. Ramkrishan P. Hinduja	13,50,000
Ms. Shanu S. P. Hinduja	4,50,000
Ms. Vinoo S. Hinduja	4,50,000
Mr. Anil Harish	7,00,000
Mr. Rajendra P. Chitale	13,50,000
Mr. Rangan Mohan	14,50,000

The Board of Directors waived fees in respect of two Board Meetings which were held during the Financial Year 2015-16.

At the last Annual General Meeting of the Company held on September 29, 2015 (20th AGM), the Members have passed a Special Resolution relating to payment of commission to Directors (in addition to the sitting fees being paid for attending the Meetings of the Board or the Committees thereof), for a period of five years commencing from the Financial Year April 1, 2015 as may be approved by the NRC/ the Board of Directors and that the total commission not to exceed 1% of the net profits of the Company in any financial year as computed in the manner specified in Section 198 of the Companies Act, 2013.

For the Financial Year ended March 31, 2016, payment of commission has not been considered by the NRC/ the Board.

There were no material pecuniary relationship or transactions with Non-Executive Directors apart from payments made as under for professional services rendered by Firms of Advocates/ Tax/ Strategic Consultants in which certain Independent Directors are partners:

Name of Firm	Amount paid during the Financial Year ended March 31, 2016	Name of Director who is partner
Rangan Mohan Associates	₹ 3,11,174	Mr. Rangan Mohan
D.M. Harish & Co.	₹ 2,07,000	Mr. Anil Harish

5. STAKEHOLDERS RELATIONSHIP AND SHARE ALLOTMENT COMMITTEE

The Stakeholders Relationship Committee is known as the "Stakeholders Relationship and Share Allotment Committee".

- **Composition**

The Stakeholders Relationship and Share Allotment Committee consisted of four members of the Board as follows:

- Mr. Rangan Mohan (Independent Director) - Chairman
- Mr. Ramkrishan P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Ms. Shanu S. P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Ms. Vinoo S. Hinduja (Non-Executive, Non-Independent Director) - Member

The composition of the Stakeholders Relationship and Share Allotment Committee conforms to the requirements

of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations. Mr. Makarand D. Dewal, Company Secretary acts as Compliance Officer. During the Financial Year ended March 31, 2016, two Meetings of the Stakeholders Relationship and Share Allotment Committee were held as follows: July 6, 2015 and November 5, 2015.

The Committee looks into the redressal of complaints of investors such as non-receipt of dividend, non-receipt of annual reports, etc., if any. The Committee also approves proposals for allotment of shares under ESOPs. During the Financial Year ended March 31, 2016, no complaints were received from shareholders and no complaints were pending against the Company as on March 31, 2016.

- Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Rangan Mohan, Chairman	2
Mr. Ramkrishan P. Hinduja, Member	2
Ms. Shanu S.P. Hinduja, Member	1
Ms. Vinoo S. Hinduja, Member	1

6. GENERAL BODY MEETINGS

- Details of location, date and time of holding the last three Annual General Meetings (AGM):

AGM	Date	Time	Venue
18th	August 10, 2013	11.00 a.m.	Hall of Harmony, Nehru Centre
19th	July 3, 2014	11:00 a.m.	Dr. Annie Besant Road
20th	September 29, 2015	3:00 p.m.	Worli. Mumbai-400 018

- No extraordinary general meeting of the Members was held during the Financial Year ended March 31, 2016.
- The following are the special resolutions passed at the previous three Annual General Meetings (AGMs):

AGM held on	Summary of Special Resolutions
August 10, 2013	Special resolution under Section 81 (1A) of the Companies Act, 1956 relating to issue of various types of Securities not exceeding ₹ 500 Crore (Rupees Five Hundred Crore) by the Company.
July 3, 2014	Special resolution under Section 180 (1) (c) of the Companies Act, 2013 relating to borrowing powers of the Company.

AGM held on	Summary of Special Resolutions
September 29, 2015	<ol style="list-style-type: none"> Special resolution under Schedule V read with Sections 196, 197, 202 and 203 of the Companies Act, 2013 relating to re-appointment of Mr. Partha DeSarkar as Manager (designated as Chief Executive Officer) of the Company for a period of 3 years with effect from April 1, 2015; Special resolution under Section 14 of the Companies Act, 2013 relating to approval and adoption of new set of Articles of Association of the Company; Special resolution under Section 180 (1) (a) of the Companies Act, 2013 relating to creation of charge or encumbrance including mortgage, hypothecation, pledge, as applicable; and Special Resolution under Section 197 and 198 of the Companies Act, 2013 relating to payment of commission to Directors, in addition to sitting fees being paid for attending the meetings of the Board or the Committees.

- There was no special resolution requiring voting through postal ballot during the Financial Year ended March 31, 2016.
- There is no special resolution proposed to be conducted through postal ballot till the holding of the AGM.
- Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of the Companies (Management and Administration) Rules, 2014, including any amendment thereof.

8. DISCLOSURES

- There were no material significant related party transactions during the year ended March 31, 2016 that may have a potential conflict with the interests of the Company at large. The Board of Directors of the Company has approved the 'Related Party Transactions Policy' which has been uploaded on the website of the Company at the following link: <http://www.teamhgs.com/investors/corporate-policies>

- B. There have been no instances of non-compliance by your Company on any matter related to the capital markets, nor has any penalty/stricture been imposed on your Company by the Stock Exchanges or SEBI or any other statutory authority or any matter related to capital markets during the last three years.
- C. Your Company has a Whistle Blower Policy and Vigil Mechanism for Directors and employees in place *inter-alia* to report unethical conduct. No personnel have been denied access to the Ombudsman or Chairman of the Audit Committee of your Company to discuss any matter of substance. The said policy has been uploaded on the website of the Company at the following link: <http://www.teamhgs.com/investors/corporate-policies>
- D. Your Company has complied with all the mandatory requirements of Corporate Governance as required by the SEBI (LODR) Regulations.

Adoption/ Non-Adoption of the non-mandatory requirements of Schedule II of the SEBI (LODR) Regulations:

- **The Board:** The Non- Executive, Non-Independent Chairman does not have a separate office.
- **Shareholder Rights:** Your Company publishes its quarterly unaudited and yearly audited financial results in the newspapers and also displays it on its website www.teamhgs.com. Communication relating to financial results, dividend and business and operations of the Company are sent to the shareholders of the Company periodically.
- **Opinion(s) in audit report:** Audit Reports (Standalone and Consolidated Financial Statements) for the Financial Year ended March 31, 2016 are unmodified/ unqualified. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.
- **Separate posts of Chairman and CEO:** There is separate post of Chairman and CEO in the Company.
- **Reporting of Internal Auditor:** Internal Auditor reports to the CEO of the Company.

E. CEO/CFO Certification:

A certificate from the CEO and CFO in terms of Regulation 17(8) of the SEBI (LODR) Regulations was placed before the Board Meeting held on May 25, 2016 to approve the Audited Annual Accounts for the year ended March 31, 2016.

- F. The Company does not have any material non-listed Indian subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on the Company's website at the following link: <http://www.teamhgs.com/investors/corporate-policies>
- G. Disclosure of commodity price risks and commodity hedging activities:
Not applicable since your Company is not in the business of commodity manufacturing/ trading.
- H. The Company has complied with all the corporate governance requirements specified in Regulation 17 to Regulation 27 and Clause (b) to (i) of Regulation 46(2) of the SEBI (LODR) Regulations for the Financial Year ended March 31, 2016.

9. MEANS OF COMMUNICATION

- A. The quarterly, half-yearly and annual results are published in leading national newspapers (Business Standard and Sakaal). The results are simultaneously displayed on your Company's website www.teamhgs.com. The website is updated regularly with the official news releases, presentations made to Institutional Investors and Analysts and disclosures as required from time to time. Communication relating to financial results, dividend, business and operations of the Company are sent to the shareholders of the Company periodically.
- B. Management Discussion and Analysis Report is given as an **Annexure 'E'** to the Directors' Report.

10. GENERAL SHAREHOLDER INFORMATION

Sr. No.	Subject	Date
1.	Next Annual General Meeting	
	Date	September 21, 2016
	Time	3.00 P. M.
	Venue	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
2.	Financial Calendar for 2016-17 (Tentative)	
	Unaudited results for the quarter ending June 30, 2016	Second week of August, 2016
	Unaudited results for the quarter/ half year ending September 30, 2016	Second week of November, 2016
	Unaudited results for the quarter/ nine months ending December 31, 2016	Second week of February, 2017

Sr. No.	Subject	Date
	Audited results for the year ending March 31, 2017	Third/ Fourth week of May, 2017
3.	Book Closure Date	September 21, 2016
4.	Final Dividend payment date for the Financial Year 2015-16	October 7, 2016
5.	Listing of Equity Shares	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
6.	Stock Code	BSE: 532859 NSE: HGS
7.	ISIN	INE170I01016
8.	CIN	L92199MH1995PLC084610

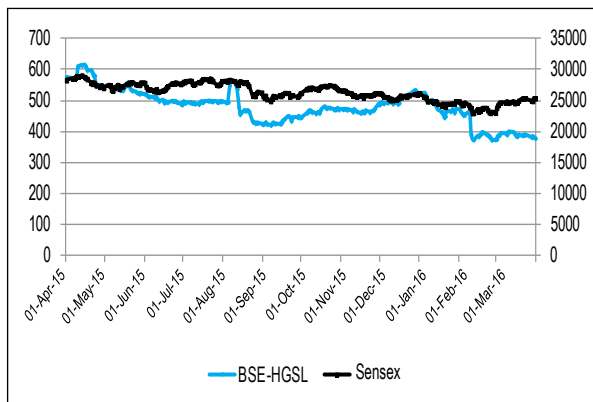
Note: Annual Listing fee for the Financial Year 2016-17 has been paid to BSE and NSE.

• STOCK MARKET DATA

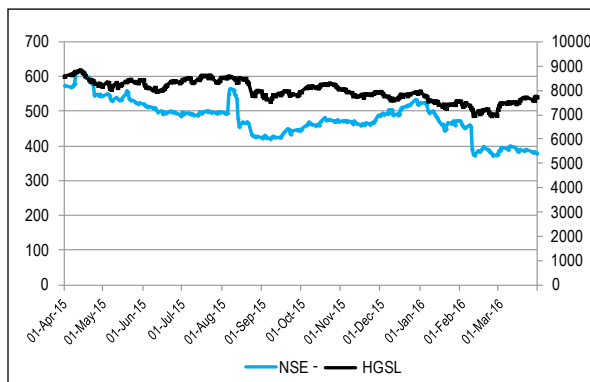
Month	BSE		NSE	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
Apr-15	638.95	534.00	639.00	530.00
May-15	570.00	519.10	571.00	519.00
Jun-15	529.00	485.00	529.25	485.00
Jul-15	510.10	486.00	511.90	485.20
Aug-15	599.50	407.40	599.40	409.00
Sep-15	455.00	417.10	459.00	415.30
Oct-15	506.40	442.30	507.95	435.30
Nov-15	491.50	451.10	492.90	455.00
Dec-15	549.00	482.00	544.45	477.35
Jan-16	535.75	442.00	534.00	440.00
Feb-16	471.20	365.00	475.45	363.10
Mar-16	407.50	373.00	414.00	370.55

• SHARE PRICE MOVEMENT (BSE)

Your Company's closing share price movement on the BSE relative to BSE Sensex closing prices (April 2015 to March 2016)



• SHARE PRICE MOVEMENT (NSE)



The securities of the Company have never been suspended from trading.

• REGISTRAR AND SHARE TRANSFER AGENT ("R&T Agent")

In view of SEBI Order dated March 22, 2016 passed against Sharepro Services (India) Pvt. Ltd. ("Sharepro") (erstwhile Registrar and Share Transfer Agent of the Company) and its certain officials, your Company has not renewed R&T Agreement with Sharepro which expired on March 31, 2016. As per the direction given in the said Order, the Company has appointed Karvy Computershare Private Limited ("Karvy"), as its R&T Agent from May 16, 2016. This arrangement with Karvy has been formalized effective June 1, 2016.

Your Company's Registrar and Share Transfer Agent is:

A. Sharepro Services (India) Pvt. Ltd. - R&T Agent up to May 31, 2016 (April 1, 2016 to May 31, 2016 - transition period)

Address: 13 A/B, 2nd Floor,
Samhita Warehousing Complex
Sakinaka Telephone Exchange Lane
Andheri-Kurla Road, Sakinaka
Andheri (East), Mumbai - 400072
Tel: (91 22) 6772 0300 / 6772 0400

Investor Relation Centre:

Address: Sharepro Services (India) Pvt. Ltd.
912, Raheja Center,
Free Press Journal Road
Nariman Point, Mumbai - 400021.
Tel: (91 22) 6613 4700

B. Karvy Computershare Private Limited- R&T Agent from June 1, 2016

Shareholder's correspondence please be addressed to the R&T Agent at the following address:

Address: Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District,
Nanakramguda,
Hyderabad – 500 032
Tel: (91 40) 6716 2222
Fax: (91 40) 2342 0814
E-Mail: einward.ris@karvy.com

• SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on March 31, 2016, about 99.75% of your Company's equity (comprising of 2,06,76,100 shares) had been dematerialized. The shares of your Company are listed on the BSE and NSE w.e.f. June 19, 2007.

The power to approve transfer of shares in physical form and to attend to share transfer formalities has been delegated by the Board to Share Transfer Committee consisting of officers of the Company. Share transfer process is completed within stipulated time period of fifteen days, if all documents are in order.

As on March 31, 2016, there were no pending transfer proposals.

Pattern of Shareholding as on March 31, 2016:

Particulars	No. of shares	% of shareholding
Promoters	1,40,29,452	67.68
FII's	26,77,700	12.92
NRIs/ OCBs/ Non Domestic Companies	1,07,388	0.52
Mutual Funds, Banks, Financial Institutions, Insurance Companies	6,71,532	3.24
Private Corporate Bodies	5,38,429	2.60
Individuals/ Others	27,04,538	13.04
Total	2,07,29,039	100

Distribution Schedule as of March 31, 2016:

Distribution	No. of shareholders		No of Shareholding	
	No of shareholders	% to Total	No of shares	% to Total
Upto 500	11,310	92.62	8,21,336	3.96
501 - 1000	418	3.42	3,19,167	1.54
1001 - 2000	223	1.83	3,32,133	1.60
2001 - 3000	75	0.61	1,86,820	0.90
3001 - 4000	30	0.25	1,08,701	0.52
4001 - 5000	29	0.24	1,31,653	0.64
5001 - 10000	54	0.44	3,59,685	1.74
Above 10000	72	0.59	1,84,69,544	89.10
TOTAL	12,211	100.00	2,07,29,039	100.00

- The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2016, there are no outstanding ADRs/ GDRs/ Warrants or any convertible instruments.

A qualified Practicing Company Secretary carries out Share Capital Audit on a quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. All the audit reports confirm that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Commodity price risk or Foreign Exchange Risk and Hedging Activities:

The Company is exposed to foreign currency fluctuations on forecasted cash flows denominated in foreign currencies. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments, where the counterparty is a bank. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates these as cash flow hedges. The use of foreign currency forward contracts is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes. Foreign currency derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders' funds and the ineffective portion is recognized immediately in the Profit and Loss Account. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Profit and Loss Account as they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the Profit and Loss Account for the period.

Transfer to Investor Education and Protection Fund:

As per Section 205A and 205C of the Companies Act, 1956 and other applicable provisions, unclaimed/unpaid dividend for the year 2007-08, remaining as such for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company for that year, was transferred to the Investor Education and Protection Fund (IEPF) on November 2, 2015. No claim shall lie against the IEPF or the Company for the amount so transferred nor shall any payments be made in respect of such claims.

Dividend for the year 2008-09 remaining unclaimed/unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company for that year, will be transferred in the first week of September, 2016 to the IEPF. Members are requested to claim the same before the transfer. Periodically, communication is sent to the Members for claiming/ encashment of dividend.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on September 29, 2015 (date of the last Annual General Meeting) on the website of the Company (www.teamhgs.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in)

Plant Locations: Not applicable

11. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

Queries relating to operational and financial performance of your Company may be addressed to:

Mr. Srinivas Palakodeti, Chief Financial Officer

Address : 1st Floor, Gold Hill Square Software Park,
No. 690, Bommanahalli,
Hosur Road,
Bangalore - 560 068.

Shareholders may address queries relating to their holdings to:

Mr. Makarand D. Dewal, Company Secretary

Address : Hinduja House
171, Dr. Annie Besant Road, Worli,
Mumbai - 400 018.

Tel : (91 22) 2496 0707/ 6136 0407

Fax : (91 22) 2497 4208

Email: investor.relations@teamhgs.com

Members are requested to register their email address with the Company's Registrar & Share Transfer Agent (R&T Agent) at einward.ris@karvy.com to enable the Company to send notices, documents, communications, Annual Reports, etc. through email and also advice any changes in their email address from time to time to the R&T Agent.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 11, 2016

Ramkrishan P. Hinduja
Chairman

