

Annexure 'C' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

For the Financial Year ended March 31, 2017

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The business and operations of your Company are carried out locally as well as globally in different geographies by a competent Management Team. As a responsible corporate entity, your Company believes in abiding by the code of Corporate Governance by being transparent and ethical in its business dealings and operations, complying with the applicable statutes, rules and regulations, timely disclosure of relevant information and being fair to all its stakeholders. The objective is to serve the best interest of all the stakeholders, viz. employees, customers, society at large and to enhance the shareholders' value.

2. BOARD OF DIRECTORS

• Composition

As at March 31, 2017, the Board of Directors of the Company comprised of eight directors, out of which four are Non-executive and Non-independent Directors and four are Independent Directors. The four Non-executive and Non-independent Directors (which include two Women Directors) belong to the Promoter Group. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations]. None of the Directors are related to each other, apart from three Directors, viz. Mr. R.P. Hinduja, Ms. Shanu S.P. Hinduja and Ms. Vinoo S. Hinduja, belonging to the Promoter Group.

The Members of the Board are drawn from diverse fields and devote sufficient time for deliberations at the Committee Meetings of which they are Members and at Board Meetings. They are 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.

In accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1) (b) of the SEBI (LODR) Regulations, the Independent Directors have confirmed that they fulfill the criteria of independence.

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 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, 2017, 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, 2017, nine Board Meetings were held as follows: May 25, 2016 (two Meetings) June 24, 2016, August 11, 2016, August 17, 2016, November 9, 2016, February 8, 2017, March 17, 2017 and March 21, 2017. 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 and/ or at other locations to participate in the meetings of the Board and the Committees of the Board.

At the last Annual General Meeting (AGM) of the Company held on September 21, 2016, Mr. Yashodhan Madhusudan Kale was appointed as a Non-executive and Non-independent Director, liable to retire by rotation, and Mr. Pradeep Mukerjee was appointed as an Independent Director for a period of five years, effective from the said AGM.

Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on September 21, 2016	Board Membership		Committee Membership	
			Chairman	Member	Chairman	Member
Mr. Ramkrishan P. Hinduja, Chairman (Non-Executive, Non-Independent Director) – Promoter Group DIN: 00278711	7	Yes	1	2	Nil	2
Ms. Shanu S. P. Hinduja, Co-Chairperson (Non-Executive, Non-Independent Director) - Promoter Group DIN : 06512872	6	No	Nil	1	Nil	1
Ms. Vinoo S. Hinduja, (Non-Executive Non-Independent Director)- Promoter Group DIN : 00493148	7	No	Nil	1	Nil	1

Mr. Anil Harish, Independent Director DIN: 00001685	9	Yes	Nil	5	2	3
Mr. Rajendra P. Chitale, Independent Director DIN: 00015986	8	Yes	Nil	9 [#]	5 [^]	9
Mr. Rangan Mohan, Independent Director DIN: 01116821	9	Yes	Nil	4	4	5
Mr. Yashodhan Madhusudan Kale (Non-Executive Non-Independent Director) DIN : 00013782	4	N.A.	Nil	2	Nil	2
Mr. Pradeep Mukerjee Independent Director DIN: 02287773	4	N.A.	Nil	2	Nil	2

Includes four unlisted public companies

^ Includes one unlisted public company

Notes:

Membership of the Board and the Committees:

- I. Excludes Foreign Companies, Private Limited Companies (which are not subsidiaries of public 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 during the Financial Year ended March 31, 2017 (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, Senior Management Personnel and Employees ("the Code"). The Code 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, 2017. 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, 2017 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
Mr. Yashodhan Madhusudan Kale	Nil
Mr. Pradeep Mukerjee	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 inter-alia includes:

recommendation for appointment, remuneration and terms of appointment of auditors of the Company; review and monitoring the auditor's independence, performance and effectiveness of audit process; examination of the quarterly and annual financial statements and the auditor's report thereon and recommendation of the same to the Board; oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; discussion with internal auditors and with the Management on critical and significant findings of the Internal Audit Reports and suggesting corrective measures and follow up thereon; review and approve related party transactions for further consideration of the Board; evaluation of internal financial controls; review of Enterprise Risk Management framework (including preventive and litigation measures) and updates thereon; reviewing the findings of any internal investigations by the Management/ 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, 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 and financial management. The Company Secretary acts as a 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, 2017, seven Meetings were held as follows: May 24, 2016 (two Meetings), June 24, 2016, August 10, 2016, November 9, 2016, February 8, 2017 and March 21, 2017. 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	7
Mr. Ramkrishan P. Hinduja, Member	6
Mr. Rajendra P. Chitale, Member	6
Mr. Rangan Mohan, Member	7

Mr. Anil Harish, Chairman of the Audit Committee, attended the last Annual General Meeting of the Company held on September 21, 2016.

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 stock options plan for the employees as and when deemed necessary.

- **Composition**

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

- Mr. Anil Harish (Independent Director) Chairman
- Mr. Ramkrishan P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Ms. Shanu S. P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Mr. Rajendra P. Chitale (Independent Director) - Member
- Mr. Rangan Mohan (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, 2017, two Meetings of the NRC were held as follows: August 17, 2016 and March 21, 2017. During the year certain proposals/ Resolutions were passed by circulation.

- **Attendance:**

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

- Mr. Anil Harish, the Chairman of the NRC, attended the last Annual General Meeting of the Company held on September 21, 2016.

- **Performance Evaluation Criteria for Independent Directors**

During the year ended March 31, 2017, the performance evaluation of the Independent Directors for the Financial Year 2016-17 was carried out by the NRC and the entire Board of Directors, excluding the Member / Director being evaluated, on the following criteria: Exercise of independent judgment/ view on potential conflict of interest of Management, Board Members and the Promoters, safeguarding interest of minority shareholders, Understanding of nature and role of Independent Directors' position, Offering constructive contribution to the Board's 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 competent 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**

Remuneration only by way of 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) held during the Financial Year ended March 31, 2017, was paid as under:

Name of the Director	Sitting Fee (₹)
Mr. Ramkrishan P. Hinduja	12,00,000
Ms. Shanu S. P. Hinduja	7,00,000
Ms. Vinoo S. Hinduja	7,50,000
Mr. Anil Harish	15,00,000
Mr. Rajendra P. Chitale	15,00,000
Mr. Rangan Mohan	15,50,000
Mr. Yashodhan Madhusudan Kale	4,00,000
Mr. Pradeep Mukerjee	4,00,000

During the Financial Year 2016-17, on May 24, 2016, two Audit Committee Meetings were held. The Committee Members waived fees in respect of one Committee Meeting held on that date, and on May 25, 2016, two Board Meetings were held. The Board of Directors waived fees in respect of one Board Meeting held on that date.

During the financial year ended March 31, 2017, there were no material pecuniary relationships or transactions with Non-Executive Directors.

5. 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, 2017, one Meeting of the Stakeholders Relationship and Share Allotment Committee was held on May 9, 2016. During the year, certain proposals/ Resolutions were passed by circulation.

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, 2017, three complaints were received from shareholders which were satisfactorily resolved and no complaints were pending against the Company as on March 31, 2017.

- Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Rangan Mohan, Chairman	1
Mr. Ramkrishan P. Hinduja, Member	1
Ms. Shanu S. P. Hinduja, Member	0
Ms. Vinoo S. Hinduja, Member	1

6. COMMITTEE OF DIRECTORS

The Committee of Directors comprise of Mr. Ramkrishan P. Hinduja (Non-Executive, Non- Independent Director) - Chairman, Ms. Vinoo S. Hinduja (Non-Executive, Non-Independent Director) and Mr. Rangan Mohan (Independent Director).

The Committee of Directors reviews the Capital and Revenue Budget, expansion and strategic projects, if any, recommends the same to the Board, approves operational and other matters as may be delegated by the Board from time to time.

During the year, certain proposals/ Resolutions were passed by circulation.

7. GENERAL BODY MEETINGS

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

AGM	Date	Time	Venue
19th	July 3, 2014	11:00 a.m.	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
20th	September 29, 2015	3:00 p.m.	
21st	September 21, 2016	3:00 p.m.	

- No extraordinary general meeting of the members was held during the Financial Year ended March 31, 2017.
- Special Resolutions, as under, were passed at the AGMs held on July 3, 2014 and September 29, 2015. No Special Resolution was proposed for the approval of the Members at the last Annual General Meeting of the Company held on September 21, 2016.

AGM held on	Summary of Special Resolutions
July 3, 2014	Special resolution under Section 180 (1) (c) of the Companies Act, 2013 relating to borrowing powers of the Company.
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.

- No special resolution was proposed requiring voting through postal ballot during the financial year ended March 31, 2017.
- The approval of the Members to the Special Resolutions relating to the Hinduja Global Solutions Limited Employee Stock Appreciation Rights Plan 2017 for grant of Employee Stock Appreciation Rights to employees of the Company and that of its subsidiary companies was sought via Postal Ballot process (Postal Ballot Notice dated May 22, 2017). Postal Ballot process was carried out as per the procedure mentioned in Rule 22 of the Companies (Management and Administration) Rules, 2014, including any amendment thereof. The result of the Postal Ballot was declared on July 13, 2017. As per the said Results, the Special Resolutions were not approved by the Members.

8. DISCLOSURES

- A. There were no material significant related party transactions during the year ended March 31, 2017 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/corporatepolicies>
- 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. Quarterly Report on Whistle Blower Policy and Vigil Mechanism is placed before the meetings of the Audit Committee and the Board. 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, 2017 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 Audit Committee.
- 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 22, 2017 to approve the Audited Annual Accounts for the year ended March 31, 2017.
- 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, 2017.

9. MEANS OF COMMUNICATION

- A. The quarterly, half-yearly and annual results are published in leading 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. Report on Management Discussion and Analysis is given as an **Annexure 'E'** to the Directors' Report.

10. GENERAL SHAREHOLDER INFORMATION

Sr. No.	Subject	Date
1	Next Annual General Meeting (22nd AGM)	
	Date	September 28, 2017
	Time	3:00 p.m.
	Venue	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
2	Financial Calendar for 2017-18 (Tentative)	
	Unaudited results for the quarter ending June 30, 2017	August 11, 2017 (actual date of meeting)
	Unaudited results for the quarter/ half year ending September 30, 2017	On or before November 14, 2017
	Unaudited results for the quarter/ nine months ending December 31, 2017	On or before February 14, 2018
	Audited results for the year ending March 31, 2018	On or before May 30, 2018
3	Book Closure Date	September 27 and 28, 2017 (both days inclusive)
4	Final Dividend payment date for the financial year 2016-17	October 12, 2017
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 2017-18 has been paid to BSE and NSE.

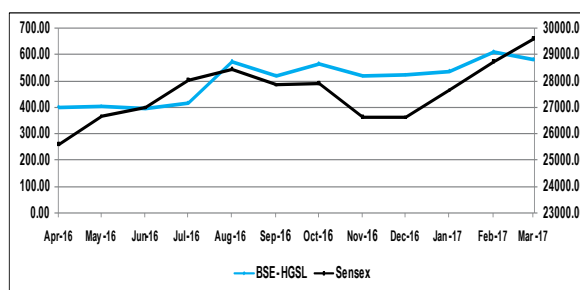
• STOCK MARKET DATA

Month	BSE		NSE	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
Apr-16	425.00	377.00	419.40	376.05
May-16	449.90	385.00	470.00	384.00
Jun-16	438.80	390.00	439.95	390.30
Jul-16	430.00	387.45	431.00	388.00

Aug-16	614.00	405.35	625.00	401.30
Sep-16	586.80	505.50	587.70	507.00
Oct-16	595.95	518.20	595.00	515.30
Nov-16	590.00	461.00	589.30	481.35
Dec-16	560.80	491.50	569.90	486.05
Jan-17	558.00	507.00	558.70	517.75
Feb-17	637.90	520.50	637.45	530.00
Mar-17	625.00	574.55	625.00	572.60

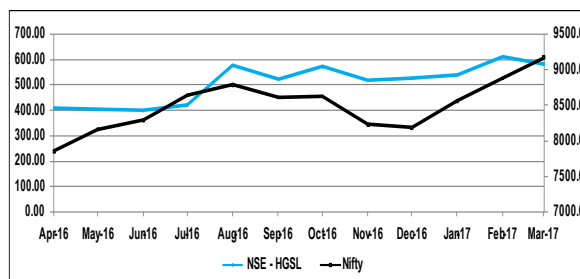
• SHARE PRICE MOVEMENT (BSE)

Your Company's closing share price movement on the BSE relative to BSE Sensex closing prices (April, 2016 to March, 2017)



• SHARE PRICE MOVEMENT (NSE)

Your Company's closing share price movement on the NSE relative to NSE Nifty closing prices (April, 2016 to March, 2017)



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

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

- Sharepro Services (India) Pvt. Ltd. as R&T Agent up to May 31, 2016 .
- Karvy Computershare Private Limited - R&T Agent - from June 1, 2016

Members are requested to communicate with 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, 2017, about 99.75% of your Company's equity (comprising of 2,06,89,999 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. As required, share transfer process is completed within stipulated time period of fifteen days, if all documents are in order. However, during the Financial Year ended March 31, 2017, no proposal for transfer of physical shares was received by the Committee for approval.

Pattern of Shareholding as on March 31, 2017:

Particulars	No. of shares	% of shareholding
Promoters	1,40,29,452	67.64
FII's	15,32,118	7.39
NRIs/ OCBs/ Non Domestic Companies	1,20,560	0.58
Mutual Funds, Banks, Financial Institutions, Insurance Companies, Central Government	9,13,149	4.40
Private Corporate Bodies	3,90,600	1.88
Individuals/ Others	37,56,884	18.11
Total	2,07,42,763	100

Distribution Schedule as of March 31, 2017:

Distribution	No. of shareholders		No of Shareholding	
	No of share-holders	% to Total	No of shares	% to Total
Up to 500	12,421	92.23	9,20,923	4.44
501 - 1000	461	3.42	3,52,846	1.70
1001 - 2000	269	2.00	3,97,889	1.92
2001 - 3000	96	0.71	2,40,162	1.16
3001 - 4000	39	0.29	1,39,136	0.67
4001 - 5000	43	0.32	1,97,007	0.95
5001 - 10000	55	0.41	3,84,214	1.85
Above 10000	84	0.62	1,81,10,586	87.31
TOTAL	13,468	100.00	2,07,42,763	100.00

- The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2017, 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. The group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. 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. Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk.

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 2008-09, 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 September 3, 2016.

Dividend for the year 2009-10 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, 2017 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 21, 2016 (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)

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares, in respect of which dividend has not been encashed or claimed for a period of seven consecutive years, shall be transferred by the Company in the name of the IEPF in accordance with the aforesaid Rules. The relevant communication in this regard has been sent to the concerned Members and also Notices have been published in the Newspapers. Any claimant of such shares shall be entitled to claim the transfer of shares from IEPF in accordance with the procedure laid down in the aforesaid Rules.

Plant Locations: Not applicable since the Company is in the Service Sector.

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.
Tel: (91 80) 4643 1000

Members may address queries relating to shares and related matters 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

OR to the R&T Agent of the Company, i.e. Karvy Computershare Private Limited.

Email: investor.relations@teamhgs.com

As a contribution to 'Green Revolution' (saving of paper), Members are requested to register their email address with the Company's Registrar and Share Transfer Agent (RTA) 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 RTA.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 24, 2017

Ramkrishan P. Hinduja
Chairman