

BOARD OF DIRECTORS

Hinduja Global Solutions Limited



From left to right: Mr. Rangan Mohan, Mr. Rajendra P. Chitale, Mr. Ramkrishan P. Hinduja, Ms. Vinoo S. Hinduja, Mr. Dheeraj G. Hinduja, Mr. Anil Harish

CHAIRMAN'S MESSAGE

Dear Shareholders,

Your Company, Hinduja Global Solutions, has set a new record for Revenue and EBIDTA in a global economic environment that is yet to recover from the aftermath of 2008. Our largest market, the U.S., struggles with high unemployment; the uncertainty of the Euro zone still remains and the slow economic growth in India doesn't help the picture. Nonetheless, your Company achieved this record with significant organic growth along with two new acquisitions. An acquisition in Canada has further reduced your Company's revenue concentration in its largest market in the US, and another acquisition in India has added capability in the new horizontal of Human Resource Outsourcing (HRO).

Last year, I shared with you the Company's ROC strategy to focus on three initiatives, namely: Right Shore, One Experience and Cross Sell; so as to become a globally preferred business transformation partner to its clients. The ROC strategy has proven to be a successful one and is now a journey and not a destination. As we continue down this path, we inevitably build business excellence and are bound to create sustainable value for all our stakeholders over time.

During FY '12, we made significant progress on each of the three fronts. The number of clients who took advantage of our right-shore capability increased, extending the HGS relationship to multiple geographies. Not only have we adopted a single brand across the globe, but we have also developed and implemented a Business Excellence framework to ensure that our clients get the same level of excellence from our delivery centres across the multiple countries that we operate in. This is based on four core pillars: organizational capability, compliance & audits, quality and continuous improvement. It ensures that as we strengthen our global integration and take the best from each of the locations to constantly improve ourselves, we enhance our clients' satisfaction with the delivery process. In addition, the best practices across industry verticals and horizontal capabilities are also adapted globally. The give and take involved in this process contributes significantly to our success in implementing the ROC strategy and in de-risking our growth.

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Further, more and more of our customers are now looking at HGS as a 'service partner' as opposed to a 'service provider', allowing HGS to deliver more than one type of outsourcing service across HGS's expanding offerings. Your Company has done this while integrating the two new acquisitions that expanded geography and capability.

Looking back at your Company since the demerger on October 1, 06 provides a clear perspective of what has been achieved. For the first six months after the demerger, annualised revenue for second half of FY '07 at Rs. 531 crore was already 74% higher than the pre-demerger annualised IT-ITeS revenue of Rs. 304 crore for the predecessor company. From the second half of FY '07, the revenue increased almost three-folds to Rs. 1,554 crore in FY '12. For the same period, annualised EBIDTA has grown about three and a half times from Rs. 53 crore to Rs. 184 crore and annualised Profit After Tax (PAT) nearly doubled from Rs. 59 crore to Rs. 106 crore.

During these five years, your Company has used cash cautiously, and raised debt where it was found to be more efficient, for making acquisitions that successfully diversified its business across

geographies, industries and clients. Cash and Cash Equivalents have grown from Rs. 622 crore as on the date of demerger to Rs. 720 crore at the end of FY '12.

All of the past successes of your Company, and the record performance in FY '12, would not have been possible without the undeterred support, guidance and vision of the Hinduja Group Chairman Shri S. P. Hinduja and your Chairman-Emeritus Shri A. P. Hinduja; as well as the support and help of other members of the Hinduja Group and family. The credit for the success and execution of the stated strategy of your Company is shared by each and every stakeholder, without whom this success would not have been possible. I would like to take this opportunity to especially thank the CEO, the management team and every one of our 24,000 employees for their full time dedication and commitment to the HGS story, as well as our board members whose invaluable wisdom has assisted the company to navigate through these difficult times, and last but by no means the least, each and every shareholder for believing in HGS.

I am even more encouraged, about the opportunities ahead of us and about our management team's ability to seize the best of them for the benefit of all our stakeholders.

On behalf of the Board, I congratulate 'Team-HGS' for yet another record year of performance.

Yours sincerely,



Ramkrishan P Hinduja

Chairman

June 30, 2012

