

BOARD OF DIRECTORS

Hinduja Global Solutions Limited



From left to right:

Anil Harish, Shanu S. P. Hinduja, Ramkrishnan P. Hinduja, Vinoo S. Hinduja,
Rajendra P. Chitale, Rangan Mohan

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to inform you that your Company's journey for growth continues to gain momentum. Your Company's solid foundation is based on the five principles laid out by the founder of the Hinduja Group. These principles have been woven into the core strategies and values of the organization.

This year's theme of 'Your *Glocal* Transformation Partner' is inspired by three of these principles: Act Local-Think Global, Advance Fearlessly and Partnership for Growth. The theme reinforces the strategic focus outlined over the last few years under the acronym R.O.C., which stands for Right Shore, One Experience and Collaborative Solutions.

The leadership team is committed to executing the 'Right Shore' strategy of offering clients access to a wider talent pool by servicing them from domestic locations, as well as near-shore and off-shore locations. Our Business Excellence Framework not only ensures the excellence of the process delivery, but also provides the consistency of 'One Experience' across geographically diverse delivery locations. HGS has successfully demonstrated its unique ability, as endorsed by many of its key clients, to develop and execute win-win solutions that go beyond the initial mandate of cost reduction based outsourcing. These transformational initiatives are a result of a partnership approach dedicated to 'Collaborative Solutions'.

The R.O.C. strategy clearly differentiates your Company and creates lasting value for its customers as reflected in high customer retention, increased share of customer wallet and long-term partnerships. A significant

majority of client relationships, acquired through the domestic U.S. acquisition seven years ago, have not only stayed with your Company, but have also grown in size. Out of a total of 62 customers from the U.S. market, as many as 11 have been with HGS for at least 10 years, with one partnership now in its 41st year. It was in January 2000 that the predecessor of HGS started its BPO business with its first client and 13 years later this partnership has grown significantly and is now a multi-shore relationship. Recently, a ninth client adopted the multi-shore delivery model with HGS, only four years since its first such implementation.

The *Glocal* approach is further reflected in how your Company has integrated acquisitions to enter new markets, provide better delivery choices and acquire new capabilities. In each of the four acquisitions completed in the last three years, successful retention of management and entrepreneurs demonstrates the collaborative culture of HGS. While account management and leadership styles have retained their local characteristics, your Company has enhanced delivery excellence and has ensured delivery. Likewise, when superior local practices have been found, they have been proactively incorporated into the global best practices of HGS.

Our Business Excellence framework not only ensures the excellence of our process delivery irrespective of where it is delivered from, but makes certain that the experience across delivery centers is consistent.

HGS has handled numerous end-to-end and contiguous processes for its clients over many years and is now in a position to propose and implement transformation opportunities by using the in-depth knowledge that has been developed. A comprehensive *HGS Transformation Framework* has been created to transform clients' business processes by evaluating end-customer touch points, diving deep into processes and mining data. HGS provides a range of transformation solutions from IVR optimization to social media transition in addition to platform based technologies, as well as advanced analytics and machine-to-machine solutions for value creation. HGS is working with our marquee clients on such transformation opportunities. Your Company has now embarked on offering transformation solutions to potential new customers.

Management's successful implementation of your Company's strategy is reflected in another year of record revenue and EBITDA despite an environment of sluggish growth in North America, continuing economic uncertainty in Europe and a weakened growth story in India.



Following the demerger in October '06, your Company had annualized revenue of 531 crore for the second half of FY '07; the revenue for FY '13 of 1,983 crore represents ~25% compounded annual growth rate (CAGR) and EBITDA has grown from 53.4 crore annualized to 223.7 crore at ~27% CAGR. For the same period, the number of delivery locations has increased from 20 to 55 in 10 countries up from 4 countries and the number of employees has grown from 9,500 to 23,100 at ~16% CAGR. Organic growth has been bolstered by judicious acquisitions. Your Company remains committed to this growth strategy.

The ongoing success of your Company, as evidenced by the strength of its partnerships with its customers and its record performance, benefits from the guidance and vision of the Hinduja Group Chairman Shri S. P. Hinduja, your Chairman-Emeritus Shri A. P. Hinduja, and the support of other members of the Hinduja Group and the family. I would like to thank our CEO, the management team, each employee and the esteemed Board members for making this continued success possible. Special thanks to our shareholders and other stakeholders for their continued support.

I am confident that 'Team-HGS' will continue to deliver for our customers, shareholders and other stakeholders.

Yours sincerely,



Ramkrishan P Hinduja
Chairman

June 30, 2013