

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") and the Management of your Company commit themselves to:

- Strive towards the medium and long term enhancement of shareholder value through sound business decisions, prudent financial management and high standard of ethics throughout your Company;
- Ensure transparency and professionalism in all decisions and transactions of your Company;
- Achieve excellence in Corporate Governance by:
  - ❖ Conforming to and exceeding wherever possible, prevalent guidelines on Corporate Governance;
  - ❖ Regularly reviewing the Board processes and Management systems directed towards continuous improvement.

## 2. BOARD OF DIRECTORS

### A. Composition

#### Non-Executive Directors (Promoter Group)

Mr. Ramkrishan P. Hinduja, Chairman

Ms. Shanu S. P. Hinduja, Co-Chairperson

Ms. Vinoo S. Hinduja

#### Independent Directors

Mr. Anil Harish

Mr. Rajendra P. Chitale

Mr. Rangan Mohan

#### Chairman Emeritus

Mr. Ashok P. Hinduja

#### Chief Executive Officer and Manager

Mr. Partha DeSarkar

The composition of the Board is in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges.

### B. Dates of Board Meetings held during the year

| Dates of Board Meeting | Board Strength | No. of Directors present |
|------------------------|----------------|--------------------------|
| 28/05/2013             | 6              | 6                        |
| 08/08/2013             | 6              | 5                        |
| 11/11/2013             | 6              | 4                        |
| 11/02/2014             | 6              | 5                        |
| 10/03/2014             | 6              | 4                        |

The time gap between any two Meetings did not

exceed four months. The information as prescribed under Clause 49 of the Listing Agreement was placed before the Board from time to time.

### C. Attendance of Directors

| Name of the Director       | No. of Meetings Attended | Attendance at the previous AGM held on August 10, 2013 |
|----------------------------|--------------------------|--|
| Mr. Ramkrishan P. Hinduja* | 5                        | YES  |
| Ms. Shanu S. P. Hinduja**  | 2                        | YES  |
| Ms. Vinoo S. Hinduja       | 3                        | NO   |
| Mr. Anil Harish            | 5                        | YES  |
| Mr. Rajendra P. Chitale**  | 5                        | YES  |
| Mr. Rangan Mohan           | 4                        | YES  |

\* Mr. Ramkrishan P. Hinduja attended the Board Meeting held on 11/11/2013 through Video Conference.

\*\* Ms. Shanu S.P. Hinduja and Mr. Rajendra P. Chitale attended the Board Meeting held on 28/05/2013 through Video Conference.

### D. Details of Membership of the Directors on Boards and Board Committees (including Hinduja Global Solutions Limited)

| Name of the Director      | Board*    |        | Board Committees** |        |
|---------------------------|-----------|--------|--------------------|--------|
|                           | Chairman# | Member | Chairman#          | Member |
| Mr. Ramkrishan P. Hinduja | 1         | 4      | –                  | 4##    |
| Ms. Shanu S. P. Hinduja   | –         | 1      | –                  | 1      |
| Ms. Vinoo S. Hinduja      | –         | 3      | –                  | ##     |
| Mr. Anil Harish           | –         | 14     | 4                  | 10     |
| Mr. Rajendra P. Chitale   | –         | 9      | 4                  | 9      |
| Mr. Rangan Mohan          | –         | 4      | 3                  | 3      |

\* Excludes Foreign Companies, Private Limited Companies and Alternate Directorships.

\*\* Only the following Board Committees have been considered for this purpose:

- (i) Audit Committee and
- (ii) Stakeholders Relationship and Share Allotment Committee.

# Board membership excludes where a Director is a Chairman; however, board committee membership includes where a member is a Chairman.

## Does not include membership of Stakeholders Relationship and Share Allotment Committee (Since appointed with effect from May 21, 2014).

### 3. AUDIT COMMITTEE

#### A. Terms of Reference

Terms of reference includes following:

- i) To oversee your Company's financial reporting process and disclosure of its financial information;
- ii) To recommend appointment of Statutory Auditors and to fix their audit fee;
- iii) To review and discuss with the Statutory Auditors the following:
  - a) internal control systems, scope of audit including observations of auditors, adequacy of internal audit function, major accounting policies and practices;
  - b) compliance with accounting standards;
  - c) compliance with applicable clauses of Listing Agreement with Stock Exchanges;
  - d) legal requirements concerning financial statements; and
  - e) related party transactions, if any;
- iv) To review Company's fiscal and risk management policies;
- v) To discuss with internal auditors any significant findings for follow-up thereon;
- vi) To review quarterly, half yearly and annual financial statements before submission to the Board;
- vii) To advise and guide operating management on specific issues/ transactions;
- viii) To review the Management Discussion and Analysis Report on the financial condition of your Company and review of your Company's operations; and
- ix) To review the statement of significant related party transactions.

The terms of reference and composition of the Audit Committee conform to the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

#### B. Composition

The Audit Committee was constituted by the Board of Directors of your Company on March 7, 2007. The composition of the Audit Committee is as follows:

Chairman: Mr. Anil Harish

Members: Mr. Ramkrishan P. Hinduja  
Mr. Rajendra P. Chitale

The Company Secretary acts as Secretary to the Committee. The permanent invitees to Audit Committee meetings include representatives of the Statutory Auditor, representatives of the Internal Auditor, Chief Executive Officer and Chief Financial Officer.

#### C. Meetings and Attendance

The details of meetings held during the year and the attendance thereat are as follows:

**Dates of Meeting:** 28/05/2013; 08/08/2013; 11/11/2013 and 10/02/2014

#### Attendance:

| Name of the Director       | No. of Meetings Attended |
|----------------------------|--------------------------|
| Mr. Anil Harish            | 4                        |
| Mr. Ramkrishan P. Hinduja* | 4                        |
| Mr. Rajendra P. Chitale**  | 4                        |

\* Mr. Ramkrishan P. Hinduja attended the Audit Committee Meeting held on 11/11/2013 through Video Conference.

\*\* Mr. Rajendra P. Chitale attended the Audit Committee Meeting held on 28/05/2013 through Video Conference.

### 4. COMMITTEE OF DIRECTORS

#### A. Terms of Reference

- i) The Committee of Directors is, inter-alia empowered to oversee the functioning of the Company, to provide strategic direction and to approve investments and borrowings within the limits prescribed by the Board at its meeting held on October 31, 2007;
- ii) To recommend to the Board Revenue and Capital budgets and other major capital schemes;
- iii) To consider new businesses, acquisitions, divestments, changes in organization structure and also periodically review the Company's business plans and future strategies;
- iv) To approve donations within the limits prescribed by the Board;
- v) To open/close bank accounts of the Company;
- vi) To grant limited Powers of Attorney to the officers of the Company;
- vii) To appoint proxies to attend general meetings on behalf of the Company;
- viii) To assign lease-hold rights on the property of the Company/approve sale of scraps/sale of furniture and fixtures;
- ix) To provide performance guarantee for the projects for and on behalf of subsidiaries; and
- x) The Committee would also take decisions on such matters as may be delegated to it by the Board and ensure their implementation by the Management within the guidelines fixed by the Board.

#### B. Composition

The Committee of Directors was constituted by the Board of Directors of your Company on July 30, 2007.

The composition of the Committee of Directors is as follows:

**Chairman:** Mr. Ramkrishan P. Hinduja

**Members:** Ms. Vinoo S. Hinduja

Mr. Rangan Mohan

### C. Meetings and Attendance

**Dates of Meeting:** 05/10/2013

| Name of the Director      | No. of Meetings Attended |
|---------------------------|--------------------------|
| Mr. Ramkrishan P. Hinduja | 1                        |
| Ms. Vinoo S. Hinduja      | 0                        |
| Mr. Rangan Mohan          | 1                        |

## 5. STAKEHOLDERS RELATIONSHIP AND SHARE ALLOTMENT COMMITTEE

### A. Terms of Reference

- i) To specifically look into redressing shareholders' and investors' complaints in the following areas:
  - a) Transfer of shares;
  - b) Non-receipt of financial statements and other documents under the Companies Act, 1956;
  - c) Non-receipt of declared dividends;
  - d) Non-receipt of Shares lodged for transfer;
  - e) Issue of Duplicate Share Certificates;
  - f) Forged Transfers; and
  - g) Any other matter of Shareholders' interest.
- ii) To review the system of dealing with and responding to correspondence from all categories of investors.
- iii) To review the details regarding the complaints/ letters, if any, received from the Stock Exchanges and/or the SEBI and responses provided thereto.
- iv) To review and approve initiatives for further improvements in servicing investors.

During the year under review, one complaint was received from shareholder which was duly attended to. There were no complaints pending against the Company as on March 31, 2014.

### B. Composition

The Investors' Grievance Committee was constituted by the Board of Directors of your Company on March 7, 2007 and was renamed as Investors' Grievance and Share Allotment Committee in the Board Meeting held on November 7, 2012. The Committee was further renamed as Stakeholders Relationship and Share Allotment Committee in the Board Meeting held on May 21, 2014.

The composition of the Stakeholders Relationship and Share Allotment Committee is as follows:

**Chairman:** Mr. Rangan Mohan

**Member:** Ms. Shanu S. P. Hinduja

Mr. Ramkrishan P. Hinduja and Ms. Vinoo S. Hinduja were appointed as members of the Stakeholders Relationship and Share Allotment Committee w.e.f May 21, 2014.

### C. Meetings and Attendance

**Dates of Meeting:** 08/08/2013 and 27/02/2014

| Name of the Director    | No. of Meetings Attended |
|-------------------------|--------------------------|
| Mr. Rangan Mohan        | 2                        |
| Ms. Shanu S.P. Hinduja* | 2                        |

\* Ms. Shanu S. P. Hinduja attended the Stakeholders Relationship and Share Allotment Committee held on 27/02/2014 through Video Conference.

## 6. NOMINATION AND REMUNERATION COMMITTEE

### A. Terms of Reference

- i) Search for, evaluate, shortlist and recommend the incumbent for the position of Chief Executive Officer/Managing Director and their engagement terms;
- ii) Design and administer processes for evaluating the effectiveness [i.e., Performance Management System] of Chief Executive Officer/Managing Director and Senior Management;
- iii) Review the succession plan for Critical Positions and suggest actions.
  - The Committee shall (subject to compliance of the Companies Act, 1956 and other applicable regulations):
    - ❖ Establish the KRAs and clear metrics of performance for Chief Executive Officer/ Managing Director against which their performance shall be appraised at the end of the year.

Review and approve KRAs and performance metrics for Senior Management proposed by the Chief Executive Officer/Managing Director.

Document the expectations and the actual achievements for a full Board review as may be taken as an audit.

- ❖ Have the responsibility for a) setting the remuneration for the Chief Executive Officer/ Managing Director and b) review and approval of Senior Management (one level below MD/CEO) remuneration proposed by Managing Director/Chief Executive Officer. Remuneration in this context will include salary, performance based variable component and any



compensation payments, such as retiral benefits or stock options.\*

- ❖ Make available its terms of reference, its role, the authority delegated to it by the Board and what it has done for the year under review to the shareholders in a separate section of the chapter on corporate governance in the Annual Report.
- The Committee shall be able to appoint external consultants for assistance on policy and compensation inputs whenever required.

**\*Explanation:**

To determine all the terms governing the Employees Stock Options Plan implemented/ to be implemented by the Company from time to time, including any variation thereof and inter alia determining eligibility for the grant, timing and number of options to be granted, vesting schedule, exercise price and other related matters;

To exercise all rights, authority and functions of the Board of Directors under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof;

To grant options there under and to make stock awards there under.

**B. Composition**

The Compensation Committee was constituted by the Board of Directors of the Company on March 7, 2007. The Committee was renamed as Nomination and Remuneration Committee in the Board Meeting held on May 21, 2014. The composition of the Nomination and Remuneration Committee is as follows:

**Chairman:** Mr. Anil Harish

**Members:** Ms. Shanu S. P. Hinduja  
Mr. Rajendra P. Chitale  
Mr. Rangan Mohan

**C. Meetings and Attendance**

**Dates of Meeting:** 21/08/2013; 11/11/2013; 13/01/2014; 18/01/2014

During the year, one circular resolution was passed on June 3, 2013.

**Attendance:**

| Name of the Director    | No. of Meetings Attended |
|-------------------------|--------------------------|
| Mr. Anil Harish         | 4                        |
| Ms. Shanu S.P. Hinduja* | 1                        |
| Mr. Rajendra P. Chitale | 4                        |
| Mr. Rangan Mohan        | 2                        |

\* Ms. Shanu S.P. Hinduja attended the Nomination and Remuneration Committee Meeting held on 21/08/2013 through Video Conference.

The Nomination and Remuneration Committee reviewed:

- Increase in the remuneration of the CEO;
- Performance review of direct reportee to CEO, amongst other matters.
- Grant of stock options to employees under the ESOP 2008 and 2011 Plans;
- Allotment of shares to employees who exercised their stock options.

**7. REMUNERATION OF DIRECTORS**

No payments were made to Directors during the year under review except sitting fees. There were no material pecuniary relationships or transactions with Non-Executive Directors.

**Sitting fee paid to Non-Executive Directors during the year**

| Name of the Director      | Sitting Fee (₹) |
|---------------------------|-----------------|
| Mr. Ramkrishan P. Hinduja | 180,000         |
| Ms. Shanu S. P. Hinduja   | 55,000          |
| Ms. Vinoo S. Hinduja      | 60,000          |
| Mr. Anil Harish           | 200,000         |
| Mr. Rajendra P. Chitale   | 200,000         |
| Mr. Rangan Mohan          | 100,000         |

Details of fees for professional services rendered by Firms of Solicitors/Advocates/ Chartered Accountants/ Strategic Consultants in which certain Independent Directors are partners are as under:

| Name of Firm            | Amount paid during the year under review | Name of Director who is partner |
|-------------------------|--|---------------------------------|
| Rangan Mohan Associates | ₹ 12,37,758.30                           | Mr. Rangan Mohan                |
| D.M. Harish & Co.       | ₹ 5,06,250.00                            | Mr. Anil Harish                 |

**8. GENERAL BODY MEETINGS**

- A. Details of location, date and time of holding the last three Annual General Meetings.

| Financial Year | Location   | Date and Time                    |
|----------------|--|----------------------------------|
| 2010-2011      | Hall of Harmony<br>Nehru Centre<br>Dr. Annie Besant Road<br>Worli Mumbai-400 018 | August 1, 2011<br>at 11.00 a.m.  |
| 2011-2012      | Hall of Harmony<br>Nehru Centre<br>Dr. Annie Besant Road<br>Worli Mumbai-400 018 | August 9, 2012<br>at 11.00 a.m.  |
| 2012-2013      | Hall of Harmony<br>Nehru Centre<br>Dr. Annie Besant Road<br>Worli Mumbai-400 018 | August 10, 2013<br>at 11.00 a.m. |

- B. There was no special resolution requiring voting through postal ballot during the year.
- C. The following are the special resolutions passed at the previous three Annual General Meetings.

| AGM held on     | Summary   |
|-----------------|---|
| August 10, 2013 | Pursuant to provision of Section 81(1A) and other applicable provisions, if any, of Companies Act, 1956, the Foreign Exchange Management Act, 1999 to create, offer, issue and allot Securities in the form of Equity Shares, Warrants, Bonds, Depository Receipts, whether Global Depository Receipts ("GDR"), American Depository Receipts ("ADR"), provided aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crore (Rupees Five Hundred Crore) inclusive of such premium as may be payable on the Securities.             |
| August 9, 2012  | Pursuant to provision of Section 81(1A) and other applicable provisions, if any, of Companies Act, 1956, the Foreign Exchange Management Act, 1999 to create, offer, issue and allot Securities in the form of Equity Shares, Warrants, Bonds, Depository Receipts, whether Global Depository Receipts ("GDR"), American Depository Receipts ("ADR"), provided aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crore (Rupees Five Hundred Crore) inclusive of such premium as may be payable on the Securities.             |
| August 1, 2011  | 1) Pursuant to provisions of Section 81 and such other provisions of the Companies Act, 1956 to issue, offer for subscription and allot, in one or more tranches, new equity shares not exceeding 1.5% of the outstanding paid up capital of the Company at the beginning of the year, in any one year, for the benefit of such person(s) as may be in the employment of the Company, whether shareholders of the Company or not at such price and other terms as set out in the Hinduja Global Solutions Limited Employees Stock Option Plan 2011. |

|  |  |
|--|--|
|  | 2) Benefits of Hinduja Global Solutions Limited Employees Stock Option Plan 2011 be extended to the eligible employees of the subsidiary(ies)/holding Company(ies).  |
|  | 3) Pursuant to provision of Section 81(1A) and other applicable provisions, if any, of Companies Act, 1956, the Foreign Exchange Management Act, 1999 to create, offer, issue and allot Securities in the form of Equity Shares, Warrants, Bonds, Depository Receipts, whether Global Depository Receipts ("GDR"), American Depository Receipts ("ADR"), provided aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crore (Rupees Five Hundred Crore) inclusive of such premium as may be payable on the Securities. |

## 9. DISCLOSURES

- A. There were no material significant related party transactions during the year under review that may have a potential conflict with the interests of the Company at large. Transactions with related parties have been disclosed vide Note 27 to the Financial Statement.
- 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 complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreement.
- D. No personnel have been denied access to the Audit Committee of your Company to discuss any matter of substance.

## 10. MEANS OF COMMUNICATION

- A. The quarterly results are published in leading national newspapers (Business Standard and Sakaal). The results are simultaneously displayed on your Company's official website [www.teamhgs.com](http://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 from CEO was sent to all the shareholders at the time of declaration of Second Interim Dividend.

- B. Management Discussion and Analysis Report is given as an Annexure 'E' to the Directors' Report.

## 11. GENERAL SHAREHOLDER INFORMATION

| Sr. No. | Subject   | Date   |
|---------|---|--|
| 1.      | Next Annual General Meeting   |  |
|         | Date  | July 3, 2014   |
|         | Time  | 11.00 A.M.   |
|         | Venue   | Hall of Harmony<br>Nehru Centre<br>Dr. Annie Besant<br>Road, Worli<br>Mumbai-400 018 |
| 2.      | Financial Calendar for 2014-15 (Tentative)                            |  |
|         | Unaudited results for the quarter ending June 30, 2014                | August 8, 2014   |
|         | Unaudited results for the quarter/half year ending September 30, 2014 | 2nd week of November, 2014   |
|         | Unaudited results for the quarter ending December 31, 2014            | 2nd week of February, 2015   |
|         | Audited results for the year ending March 31, 2015                    | 2nd week of May, 2015  |
| 3.      | Book Closure Dates  | From June 26, 2014 to July 3, 2014   |
| 4.      | Dividend payment date for the financial year 2013-14                  | On or after July 10, 2014  |
| 5.      | Listing of Equity Shares  | BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)                 |
| 6.      | Stock Code  | BSE: 532859<br>NSE: HGS  |
| 7.      | ISIN  | INE170I01016   |

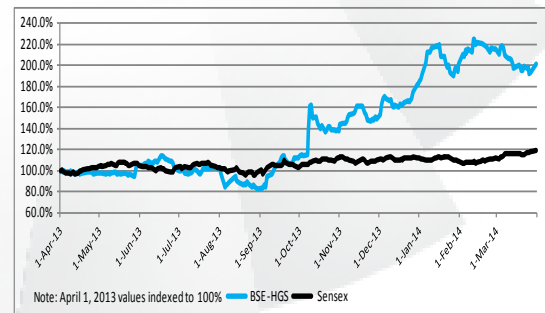
Note: Annual Listing fee for the financial year 2014-15 has been paid to BSE and NSE.

## 12. STOCK MARKET DATA

| Month  | BSE              |                 | NSE              |                 |
|--------|------------------|-----------------|------------------|-----------------|
|        | Month's High (₹) | Month's Low (₹) | Month's High (₹) | Month's Low (₹) |
| Apr-13 | 296.85           | 253.10          | 278.00           | 251.25          |
| May-13 | 292.85           | 253.05          | 295.00           | 253.10          |
| Jun-13 | 314.85           | 274.05          | 314.95           | 271.10          |
| Jul-13 | 286.00           | 255.00          | 288.00           | 251.30          |
| Aug-13 | 281.40           | 220.80          | 281.40           | 219.00          |
| Sep-13 | 316.00           | 223.50          | 314.95           | 222.00          |
| Oct-13 | 459.80           | 300.00          | 458.90           | 300.05          |
| Nov-13 | 450.00           | 372.00          | 449.50           | 373.00          |
| Dec-13 | 522.90           | 412.00          | 522.95           | 410.00          |
| Jan-14 | 609.40           | 497.90          | 610.00           | 496.05          |
| Feb-14 | 632.00           | 535.10          | 634.70           | 533.00          |
| Mar-14 | 608.40           | 518.00          | 609.85           | 519.50          |

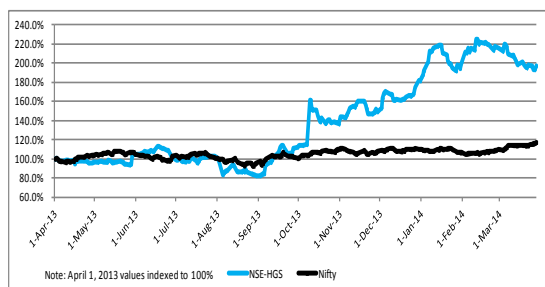
### A. SHARE PRICE MOVEMENT (BSE)

Your Company's closing share price performance on the BSE relative to BSE Sensex closing prices (April 2013 to March 2014)



### B. SHARE PRICE MOVEMENT (NSE)

Your Company's closing share price performance on the NSE relative to NIFTY closing prices (April 2013 to March 2014)



## 13. SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on March 31, 2014,



about 99.73% of your Company's equity (comprising of 20560524 shares) had been dematerialized. The shares of your Company are regularly traded 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 a Committee consisting of officers of the Company.

Requests received for transfer of physical shares are processed/ returned within 30 days from the date of receipt.

As on March 31, 2014, there were no pending unprocessed transfers. The details of physical shares transferred during the last three years are as under:

| Particulars                    | 2011-2012 | 2012-2013 | 2013-2014 |
|--------------------------------|-----------|-----------|-----------|
| No. of transfer deeds received | 03        | 03        | 03        |
| No. of shares transferred      | 200       | 400       | 450       |

Pattern of Shareholding as on March 31, 2014:

| Particulars  | No. of shares | % of shareholding |
|--|---------------|-------------------|
| Promoters  | 1,40,29,452   | 68.05             |
| FII's  | 32,13,758     | 15.59             |
| NRI's/OCB's/Non Domestic Companies                               | 90,809        | 0.44              |
| Mutual Funds, Banks, Financial Institutions, Insurance Companies | 2,587         | 0.01              |
| Private Corporate Bodies   | 10,01,222     | 4.86              |
| Individuals / Others   | 22,78,599     | 11.05             |
| Total  | 2,06,16,427   | 100               |

Distribution Schedule as of March 31, 2014:

| Distribution | No. of share-holders | % to Total No. of shareholders | Shareholding    |                            |
|--------------|----------------------|--------------------------------|-----------------|----------------------------|
|              |                      |                                | No. of shares   | % to Total paid-up capital |
| Upto 500     | 9512                 | 93.41                          | 594292          | 2.88                       |
| 501 1000     | 299                  | 2.94                           | 229725          | 1.11                       |
| 1001 2000    | 179                  | 1.76                           | 260721          | 1.27                       |
| 2001 3000    | 55                   | 0.54                           | 137556          | 0.67                       |
| 3001 4000    | 28                   | 0.27                           | 98945           | 0.48                       |
| 4001 5000    | 19                   | 0.19                           | 85144           | 0.41                       |
| 5001 10000   | 34                   | 0.33                           | 246697          | 1.20                       |
| Above 10000  | 57                   | 0.56                           | 18963347        | 91.98                      |
| <b>Total</b> | <b>10183</b>         | <b>100.00</b>                  | <b>20616427</b> | <b>100.00</b>              |

Reconciliation of Share Capital Audit as mandated by SEBI requirements is carried out by an independent Company Secretary. The reports confirming the

aggregate number of equity shares of your Company held in demat form (with NSDL & CDSL) and in physical form, tally with the issued/paid-up capital of your Company, is placed before and noted by the Board from time to time.

None of the Directors of your Company hold any shares of your Company as on March 31, 2014 except Ms. Vinoo S. Hinduja who holds 61,065 equity shares, which represents 0.30% of the total paid-up capital of the Company and Ms. Shanu S. P. Hinduja who holds 955 equity shares, which represents 0.0046% of the total paid-up capital of the Company.

**Code of Conduct:** Your Company has adopted separate Code of Conduct for Executive Directors and Senior Management and/or Non-Executive Directors on March 7, 2007 and the same has also been displayed on your Company's website. As required under Clause 49 of the Listing Agreement, the Chief Executive Officer has given a declaration to the effect that all the Directors and Senior Management personnel of your Company have affirmed compliance with the Code of Conduct as on March 31, 2014.

#### Secretarial Standards relating to Meetings

The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to Meetings of the Board and Committees thereof SS-1, General Meetings SS-2, Dividend SS-3, Registers and Records SS-4, Minutes SS-5, Transmission of Shares and Debentures SS-6, Passing of resolution by Circulation SS-7, Affixing of Common Seal SS-8, Forfeiture of Shares SS-9 and Board's Report SS-10.

SS-1 relating to Meetings of the Board and Committees and SS-2 relating to General Meetings have been made mandatory as per the Companies Act, 2013 with effect from April 1, 2014 by the Ministry of Corporate Affairs. The remaining Standards are presently recommendatory as on March 31, 2014. The secretarial practices of your Company generally comply with these Standards.

#### 14. DISCLOSURES OF ADOPTION/NON-ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

- A. The Board:** Your Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office.
- B. Remuneration Committee:** Your Company has constituted a Compensation Committee. The Committee was renamed as Nomination and Remuneration Committee in the Board Meeting held on May 21, 2014. A detailed note on Nomination and Remuneration Committee is provided under point(6) – Nomination and Remuneration Committee section in this Report.

- C. Shareholder Rights:** Your Company publishes its quarterly unaudited financial results in the newspapers and also displays it on its official website [www.teamhgs.com](http://www.teamhgs.com) apart from displaying it on stock exchanges' website. Accordingly, it does not envisage sending the same separately to the households of the shareholders.
- D. Audit qualifications:** During the year under review, there was no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- E. Training of Board Members:** Your Company does not have any formal training program for Board Members. However, periodical presentations are made to the Board on changes made by SEBI and the Stock Exchanges in respect of disclosure and other requirements. Periodically, legal updates are also sent to the Directors. The Directors interact with the management in a very free and open manner on information that may be required by them on orientation and centre visits.
- F. Mechanism for evaluating Non-Executive Board Members:** There is no separate mechanism for evaluating the performance of Non-Executive Board Members.
- G. Whistle Blower Policy:** Your Company has established a Whistle Blower Policy and appointed Mr. Rangan Mohan, Independent Director, as the Ombudsman. The Whistle Blower Policy is displayed on your Company's official website [www.teamhgs.com](http://www.teamhgs.com).

#### 15. REGISTRAR AND SHARE TRANSFER AGENT

##### Your Company's Registrar and Share Transfer Agent is:

Sharepro Services (India) Private Limited

Address : 13AB, Samhita Warehousing Complex  
2nd Floor, Near Sakinaka Telephone  
Exchange, Andheri-Kurla Road  
Sakinaka, Andheri (East)  
Mumbai-400072

Shareholders' correspondence should be addressed to the Registrar and Share Transfer Agent at the above address, marked to the attention of:

Ms. Indira Karkera / Mr. Damodar K.

Tel : (91 22) 6772 0300 / 6772 0400

Fax : (91 22) 2859 1568 / 2850 8927 or

E-Mail : [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

##### Investor Relation Centre:

Sharepro Services (India) Pvt. Ltd.  
912, Raheja Centre, Free Press Journal Road  
Nariman Point, Mumbai-400021  
Tel : (91 22) 6613 4700 / 2282 5163

#### 16. 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 : HGS House  
No. 614, Vajpayee Nagar  
Bommanahalli, Hosur Road  
Bengaluru-560068

Tel : (91 80) 2573 2620 / 2573 3212

Fax : (91 80) 2573 1592

Shareholders may address queries relating to their holdings to:

Mr. Anup Pandya  
Assistant Manager-Company Secretary

Address: HGS House  
No. 614, Vajpayee Nagar  
Bommanahalli, Hosur Road  
Bengaluru-560068.

Tel : (91 80) 2573 2620/ 2573 3212

Fax : (91 80) 2573 1592

Email: [investor.grievances@teamhgs.com](mailto:investor.grievances@teamhgs.com)

Members are requested to register their email address with the Company's Registrar and Share Transfer Agent (RTA) at [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com) to enable the Company to send all notices/ documents through email and also advice any changes in their email address from time to time to the RTA.

**Plant Locations:** Not applicable

Pursuant to the SEBI Circular No. MIRSD/DPS III/ Cir-01/07 dated January 22, 2007, the Company has designated an exclusive e-mail ID viz [investor.grievances@teamhgs.com](mailto:investor.grievances@teamhgs.com), where the investors would be able to register their complaints and also take necessary follow-up actions as necessary.

#### 17. COMPLIANCE OFFICER

Mr. Kanti Mohan Rustagi, Executive Vice President  
- Legal & Company Secretary.

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : May 21, 2014

**Ramkrishan P. Hinduja**  
Chairman