

Dear Shareholder,

I take great pleasure in sharing with you the unaudited results of the quarter ended and 9 months ended 31st Dec 2013.

Continuing its robust traction in FY 2013-14, your company has posted its fourth straight quarter of strong financial performance for the third quarter of this year.

We closed Q3 with net sales of Rs. 6,569 million, an increase of 26%. EBITDA rose by 72.3% to Rs. 919 million while PAT jumped by 171% to Rs. 541 million. EBITDA margins saw an increase of 375 basis points to reach 14%.

The growth in the quarter was largely due to strong volumes across geographies and verticals, currency tailwinds and efficiency gains. Despite strengthening of the rupee during the quarter, our consolidated revenues, EBITDA and PAT achieved new highs.

For the nine months ended December 31, 2013, net sales stood at Rs. 18,634 million, a significant increase of 27.9%. For the same period, EBITDA rose by 60% to Rs. 2,366 million while PAT was Rs. 1,346 million, an increase of 167.1%.

Encouraged by this strong performance, the Board of Directors has declared second interim dividend of Rs. 5.00 per share for FY2014. As a shareholder of the Company as on the Record Date of 25th Feb 2014, you will be receiving the dividend via direct credit to your bank account or through dividend warrants.

Highlights for the nine-months ended December 31, 2014:

- Strong traction in volumes for existing clients and new additions.
- Several deals signed across all service lines and geographies, led by the US and Canada.
- Launch of 4 new centers – two in Alabang, Philippines, one each in Bangalore and Princeton, New Jersey.
- Focus on Middle East and Africa; launched Urdu language support for a Middle Eastern telecom company from our Hyderabad center.
- Our first offshoring contract from Canada with Philippines delivery started in Q2 of FY2014
- 135 active clients as of December 31, 2013 (excluding payroll processing clients);
- Clients contributing revenue more than Rs. 100 million for the quarter increased from 12 to 15.
- Total employee headcount stood at 25,676.

Some key accolades and recognitions received:

- Team at the Preston (UK) site won a gold medal for 'Best Mid-sized Contact Centre (outsourced)' at the prestigious Contact Centre World awards 2013.
- Ranked 42nd in the 2013 Global Outsourcing 100 list compiled annually by the International Association of Outsourcing Professionals (IAOP). This is a significant improvement in comparison to HGS' 71st position in 2011.
- Named runner-up in the 'Best Outsourced Provider' category at the 14th Annual Call Center Week.

Your company continues to see strong demand for its services and expects to continue this growth momentum with a focus on improving shareholders returns. Our strong sales pipeline and emphasis on new lines of services are expected to drive future growth.

I look forward to your continued support.

Yours sincerely,



Partha DeSarkar
Chief Executive Officer