

# Annexure 'C' to the Directors' Report

## REPORT ON CORPORATE GOVERNANCE

For the Financial Year ended March 31, 2018

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to abide by the Code of Governance and seeks to achieve this by being transparent, ethical in its business dealings and operations, fair to all stakeholders as well as by disclosure of relevant information. The Company's activities are managed by a professionally competent management team under the advice and guidance of the diversified and independent Board of Directors. As a socially responsible corporate citizen, your Company strives to serve the best interest of all stakeholders, viz. shareholders, employees, customers, vendors and the society at large.

### 2. BOARD OF DIRECTORS

#### • Composition of the Board

As at March 31, 2018, 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/ represent 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/ representing the Promoter Group.

The Members of the Board are drawn from diverse fields and devote sufficient time for deliberations and discussions at the Board Meetings and Committee Meetings of which they are Members. They are fully committed towards ensuring highest standards of corporate governance.

The Manager designated as Chief Executive Officer 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 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, 2018, attendance of Directors at the said Meetings and at the last AGM and details of Directorships and Memberships of the Board and of the Committees (including that of the Company)

During the financial year ended March 31, 2018, seven Board Meetings were held as follows: May 22, 2017 (two meetings), August 11, 2017, August 24, 2017, November 8, 2017, February 8, 2018 and March 19, 2018. 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.

Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on September 28, 2017	Board Membership		Committee Membership	
			Chairman	Member	Chairman	Member
Mr. Ramkrishan P. Hinduja, Chairman (Non-Executive, Non-Independent Director) DIN: 00278711	3	No	1	2	Nil	2
Ms. Shanu S. P. Hinduja, Co-Chairperson (Non-Executive, Non-Independent Director) DIN : 06512872	4	No	Nil	1	Nil	1
Ms. Vinoo S. Hinduja, (Non-Executive Non-Independent Director) DIN : 00493148	4	No	Nil	1	Nil	1
Mr. Anil Harish, (Independent Director) DIN: 00001685	5	Yes	Nil	6*	2	4
Mr. Rajendra P. Chitale, (Independent Director) DIN: 00015986	7	Yes	Nil	8#	5^	9
Mr. Rangan Mohan, (Independent Director) DIN: 01116821	7	Yes	Nil	4\$	4	5\$

Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on September 28, 2017	Board Membership		Committee Membership	
			Chairman	Member	Chairman	Member
Mr. Yashodhan Madhusudan Kale (Non-Executive Non-Independent Director) DIN : 00013782	7	Yes	Nil	2	Nil	2
Mr. Pradeep Mukerjee (Independent Director) DIN: 02287773	7	Yes	Nil	2	Nil	2

\* Includes one unlisted public company

# Includes four unlisted public companies

^ Includes two unlisted public companies

\$ Includes three unlisted public companies

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 <https://www.teamhgs.com/investors/corporate-policies>
- IV. The details of familiarization programme imparted to Independent Directors during the Financial Year ended March 31, 2018 have been uploaded on the website of the Company at <https://www.teamhgs.com/investors/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 <https://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, 2018. 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, 2018 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 and reports to the Board of Directors (“the Board”) of the Company with respect to the ‘Terms of Reference’ as specified by the Board, which *inter alia* includes:

Recommendation to the Board for appointment, remuneration and terms of appointment of Statutory Auditors of the Company and review and monitoring the Auditor’s independence; performance and effectiveness of Audit process; Examination and recommendation to the Board of the quarterly and annual financial statements and Auditor’s Report thereon; 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 auditor and with the Management on critical and significant findings of the Internal Audit Reports and suggesting corrective measures and follow up thereon; Evaluation of Internal Financial Controls; Review of Enterprise Risk Management Framework and updates thereon; Review of and report to the Board findings of any internal investigation by the Management/ internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.

#### • 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 with 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, 2018, six Meetings were held as follows: May 22, 2017 (two Meetings), August 11, 2017, August 24, 2017, November 8, 2017 and February 7, 2018. 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	4
Mr. Ramkrishan P. Hinduja	2
Mr. Rajendra P. Chitale	6
Mr. Rangan Mohan	6

Mr. Anil Harish, Chairman of the Audit Committee, chaired the last Annual General Meeting of the Company held on September 28, 2017.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

- **Terms of Reference**

The terms of reference and the role of the Nomination and Remuneration Committee ("NRC") *inter alia* 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 recommendation to the Board their appointment/ re-appointment and removal; 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; 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 with 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, 2018, six Meetings of the NRC were held as follows: July 13, 2017, August 11, 2017, August 17, 2017, February 7, 2018, March 19, 2018 and March 30, 2018. During the year certain proposals/ Resolutions were passed by circulation.

- **Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Anil Harish, Chairman	6
Mr. Ramkrishan P. Hinduja	3
Ms. Shanu S. P. Hinduja	3
Mr. Rajendra P. Chitale	6
Mr. Rangan Mohan	6

Mr. Anil Harish, Chairman of the NRC, chaired the last Annual General Meeting of the Company held on September 28, 2017.

- **Performance Evaluation Criteria for Independent Directors**

Evaluation of the performance of Independent Directors for FY2017-18 was carried out by the NRC and the Board (excluding the Member / Director being evaluated), with

specific focus on 'independence', 'objectivity' and 'performance'. The evaluation was *inter alia* based on criteria such as: 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 objective of the Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs and to ensure that they perform effectively to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of HGS stakeholders.

Pursuant to the Companies (Amendment) Act, 2017, the Remuneration Policy for Directors, Chief Executive Officer, Key Managerial Personnel and Senior Executives is placed on the website of the Company at <https://www.teamhgs.com/investors/corporate-policies>

- **REMUNERATION OF DIRECTORS**

- Remuneration by way of sitting fees:

Remuneration by way of sitting fees, for attending Meetings of the Board 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, 2018, was as under:

Name of the Director	Sitting Fee (₹)
Mr. Ramkrishan P. Hinduja	7,00,000
Ms. Shanu S. P. Hinduja	5,50,000
Ms. Vinoo S. Hinduja	4,50,000
Mr. Anil Harish	11,00,000
Mr. Rajendra P. Chitale	13,00,000
Mr. Rangan Mohan	13,50,000
Mr. Yashodhan Madhusudan Kale	6,00,000
Mr. Pradeep Mukerjee	6,00,000

During the Financial Year 2017-18, two meetings of the Audit Committee and two meetings of the Board

were held on May 22, 2017. The Members/ Directors agreed to waive fees in respect of one meeting of the Audit Committee and one meeting of the Board held on that date and further agreed to waive fees for attending the Audit Committee Meeting held on August 24, 2017.

- Remuneration by way of Commission:

At the 20th Annual General Meeting of the Members of the Company held on September 29, 2015, the Members had approved payment of commission to Directors (in addition to sitting fees being paid for attending the meetings of the Board/ Committees of the Board) for a period of five years commencing from April 1, 2015 to be divided amongst the Directors as may be determined by the NRC/ Board. The total commission, as per the provisions of the Companies Act, 2013 ("the Act") not to exceed 1% of the net profits of the Company in any financial year as computed in the manner specified under Section 198 of the Act. Remuneration by way of commission was not proposed by NRC in respect of previous financial years 2015-16 and 2016-17. The proposal relating to payment of commission to Directors for FY2017-18 was recommended by the NRC and approved by the Board, as under, based on parameters such as tenure as a Director, attendance and participation in Board meetings during the year, etc.:

Name of the Director	Commission (₹)
Mr. Ramkrishan P. Hinduja	18,21,000
Ms. Shanu S. P. Hinduja	12,60,000
Ms. Vinoo S. Hinduja	17,90,000
Mr. Anil Harish	21,53,000
Mr. Rajendra P. Chitale	24,84,000
Mr. Rangan Mohan	24,06,000
Mr. Yashodhan Madhusudan Kale	13,43,000
Mr. Pradeep Mukerjee	13,43,000
<b>Total</b>	<b>1,46,00,000</b>

The commission will be paid after the adoption of Audited Accounts for the year ended March 31, 2018 at the forthcoming AGM of the Company to be held on September 29, 2018.

- **Material pecuniary relationships or transactions:**

During the financial year ended March 31, 2018, 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 with 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, 2018, one Meeting was held on March 30, 2018. Except Ms. Shanu S.P. Hinduja, all Members of the Committee attended the said meeting. 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 the ESOP Schemes of the Company. During the financial year ended March 31, 2018, one complaint for non-receipt of dividend was received from a shareholder which was satisfactorily resolved and no complaints were pending against the Company as on March 31, 2018.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprises of the following Members:

- Mr. Anil Harish (Independent Director) - Chairman
- Mr. Ramkrishan P. Hinduja (Non-Executive, Non-Independent Director) - Member
- Ms. Vinoo S. Hinduja (Non-Executive, Non-Independent Director) - Member
- Mr. Rajendra P. Chitale (Independent Director) - Member
- Mr. Rangan Mohan (Independent Director) - Member

The details relating to role and functioning of the Committee and the CSR programmes/ initiatives undertaken by the Company are provided under 'Annexure G' which forms part of the Directors' Report.

## 7. GENERAL BODY MEETINGS

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

AGM	Date	Time	Venue
20th	September 29, 2015	3:00 p.m.	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
21st	September 21, 2016	3:00 p.m.	
22nd	September 28, 2017	3:00 p.m.	

- No extraordinary general meeting of the members was held during the Financial Year ended March 31, 2018.
- Special Resolutions, as under, were passed at the AGM held on September 29, 2015. No Special Resolution was proposed for the approval of the Members at the last two Annual General Meetings of the Company held on September 21, 2016 and September 28, 2017.

AGM held on	Summary of Special Resolutions
September 29, 2015	<ol style="list-style-type: none"> <li>1. 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;</li> <li>2. 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;</li> <li>3. 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</li> <li>4. 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.</li> </ol>

- 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) during the Financial Year 2017-18. 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. Ms. Rupal D. Jhaveri, Practicing Company Secretary, was appointed as the Scrutinizer for the Postal Ballot process to scrutinize the process in a fair and transparent manner and the services of Karvy Computershare Private Limited, the Company's R&T Agent was used to provide e-voting facility to the Members to cast their vote on the Special Resolutions through electronic means. 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.

Details of voting pattern are as under:

Proposals / Special Resolutions	No. of Votes Polled	No. of Votes cast in favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Hinduja Global Solutions Limited - Employee Stock Appreciation Rights Plan 2017 and grant of Employee Stock Appreciation Rights (ESARs) to the employees of the Company	1,09,14,779	15,65,027	93,49,752	14.339	85.661
Hinduja Global Solutions Limited - Employee Stock Appreciation Rights Plan 2017 and grant of Employee Stock Appreciation Rights (ESARs) to employees of the Subsidiary companies of the Company	1,09,14,736	15,64,922	93,49,814	14.338	85.662

There is no immediate proposal for any Special Resolution to be conducted through Postal Ballot.

#### Postal Ballot Procedure :

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Members are provided the facility to vote either by physical ballot or through remote e-voting. The Postal Ballot Notice along with a postage prepaid self addressed business reply envelope is sent in physical form to all the Members of the Company and also in electronic form to the those Members whose email addresses are registered with the Company / Depositories/ Registrar and Transfer Agents of the Company – Karvy Computershare Private Limited. The Company also publishes a notice in the newspapers as required under the Act.

The Company fixes a cut-off date for voting. Members are given an option to cast their votes through e-voting during

the voting period fixed for this purpose or may cast their votes through physical ballot by sending duly completed and signed forms so as to reach the Scrutinizer before a specified date and time mentioned in the Notice. After completion of scrutiny of votes, the Scrutinizer submits Report to the Chairman or any authorized Director and the results of voting by postal ballot and e-voting are announced by the Chairman or authorized Director within 48 hours of the conclusion of the voting period. The results of the voting are displayed on the Company's Notice Board and website, also communicated to the Stock Exchanges, Depositories and Registrar & Share Transfer Agents. The resolution if passed by requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed Postal Ballot form or e-voting.

#### 8. DISCLOSURES

- A. There were no material significant related party transactions during the year ended March 31, 2018 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 report 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: <https://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](http://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, 2018 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 a 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 30, 2018 for approval of the financial statements for the year ended March 31, 2018.

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: <https://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 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, 2018.

## 9. MEANS OF COMMUNICATION

- A. The quarterly, half-yearly and annual results are published in leading newspapers (Business Standard and Sakal). The results are simultaneously displayed on the Company's 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.
- 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 (23rd AGM)	
	Date	September 29, 2018
	Time	3:00 p.m.
	Venue	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
	Financial Year	April 01 to March 31
2	Financial Calendar for 2018-19 (Tentative)	
	Unaudited results for the quarter ended June 30, 2018	August 9, 2018 (actual date of meeting)
	Unaudited results for the quarter/ half year ending September 30, 2018	On or before November 14, 2018
	Unaudited results for the quarter/ nine months ending December 31, 2018	On or before February 14, 2019
	Audited results for the year ending March 31, 2019	On or before May 30, 2019
3	Book Closure Date	September 28, 2018 to September 29, 2018 (both days inclusive)
4	Final Dividend payment date for the financial year 2017-18, if approved at the 23rd AGM	October 12, 2018
5	Listing of Equity Shares	<b>BSE Limited (BSE)</b> P. J. Towers, Dalal Street, Mumbai - 400 001. <b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, G. Block, Bandra-Kurla Complex, Mumbai - 400 051.
6	Stock Code	BSE: 532859 NSE: HGS
7	ISIN	INE170I01016
8	CIN	L92199MH1995PLC084610

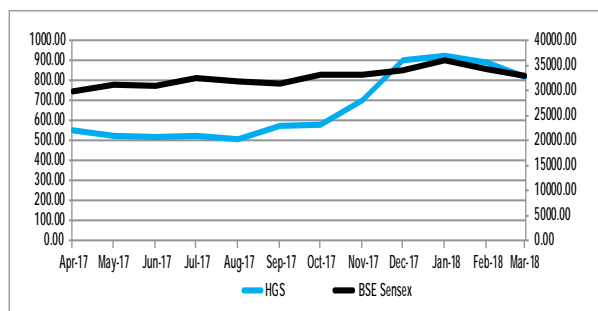
Note: Annual Listing fee for the financial year 2018-19 was paid to BSE and NSE

## • STOCK MARKET DATA

Month	BSE		NSE	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
Apr-17	602.45	542.25	604.90	539.60
May-17	574.00	501.00	566.95	505.00
Jun-17	586.00	508.50	587.50	507.45
Jul-17	547.95	515.00	598.90	512.40
Aug-17	555.00	490.65	559.95	486.65
Sep-17	595.00	495.00	596.45	494.65
Oct-17	600.00	552.50	600.00	552.00
Nov-17	752.75	574.00	750.00	572.35
Dec-17	945.00	692.70	945.00	687.00
Jan-18	1,012.00	869.00	1,014.70	868.00
Feb-18	1,042.00	793.00	1,037.80	800.55
Mar-18	910.75	751.15	913.65	751.00

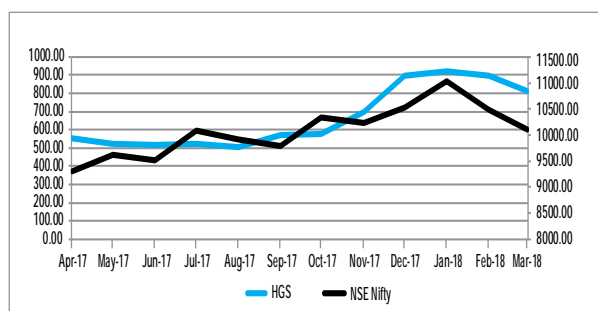
• **SHARE PRICE MOVEMENT (BSE)**

Your Company's closing share price movement on the BSE relative to BSE Sensex closing prices (April, 2017 to March, 2018)



• **SHARE PRICE MOVEMENT (NSE)**

Your Company's closing share price movement on the NSE relative to NSE Nifty closing prices (April, 2017 to March, 2018)



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

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

Karvy Computershare Private Limited - R&T Agent

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  
 Toll Free No. : 1800-3454-001  
 Fax: (91 40) 2300 1153  
 E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

• **SHARE TRANSFER SYSTEM**

Your Company's equity shares are compulsorily traded in dematerialized form. As on March 31, 2018, 20752827 equity shares, i.e. about 99.77% of your Company's equity 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. During the Financial Year ended March 31, 2018, no proposal for transfer of physical shares was received by the Committee for approval.

**Shareholding Pattern as on March 31, 2018:**

Particulars	No. of shares	% of shareholding
Promoters	1,40,29,452	67.45
FII's	17,00,393	8.18
NRIs/ OCBs/ Non Domestic Companies	57,481	0.28
Mutual Funds, Banks, Financial Institutions,, Insurance Companies, Central Government	4,67,599	2.25
Private Corporate Bodies	7,62,941	3.67
Individuals/ Others	37,75,151	18.14
Investor Education and Protection Fund*	6,223	0.03
<b>Total</b>	<b>2,07,99,240</b>	<b>100</b>

\*Represents shares transferred in respect of dividend not claimed for seven consecutive years.

**Distribution Schedule as of March 31, 2018:**

Distribution	No. of shareholders		Shareholding	
	No of share-holders	% to Total	No of shares	% to Total
Up to 500	14,717	94.27	7,64,075	3.67
501 - 1000	357	2.29	2,74,680	1.32
1001 - 2000	220	1.41	3,33,316	1.60
2001 - 3000	81	0.52	2,05,533	0.99
3001 - 4000	35	0.22	1,23,636	0.59
4001 - 5000	35	0.22	1,55,968	0.75
5001 - 10000	72	0.46	5,28,656	2.54
Above 10000	95	0.61	1,84,13,376	88.54
<b>TOTAL</b>	<b>15,612</b>	<b>100.00</b>	<b>2,07,99,240</b>	<b>100.00</b>

• The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2018, 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 designed 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 recognized 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 of unclaimed/ unpaid dividend and transfer of shares 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 2009-10, 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 12, 2017.

Dividend for the year 2010-11 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, 2018 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 28, 2017 (date of the last Annual General Meeting) on the website of the Company ([www.teamhgs.com](http://www.teamhgs.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://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 and amendments thereto, shares, in respect of which dividend has not been encashed or claimed for a period of seven consecutive years, are required to be transferred by the Company in the name of IEPF in accordance with the aforesaid Rules. During the financial year 2017-18, 6,223 shares, in respect of which dividend had not been claimed for a period of seven consecutive years, were transferred to IEPF. The details of shares so transferred are placed on the website of the Company. Any claimant of such shares shall be entitled to claim the transferred shares from IEPF in accordance with the procedure laid down in the aforesaid Rules. Shares in respect of which dividend for FY 2010-11 remains unclaimed/ unpaid for a period of seven consecutive years, will be transferred to the IEPF in the first week of September, 2018.

Relevant communication for encashment of unclaimed/ unpaid dividend and transfer of shares to IEPF was sent to the concerned Members and also Notices have been published in the Newspapers.

**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](mailto: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](mailto:einward.ris@karvy.com) to enable the Company to send notices, documents, communications, Annual Reports, etc. through email and also advise 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, 2018

**Ramkrishan P. Hinduja**  
**Chairman**  
**(DIN: 00278711)**