

Message from Chairman



Dear Shareholders,

Over the last three years, HGSL has more than doubled its revenue from Rs. 432 crore to Rs. 923 crore (US\$ 196 million), with a 50% increase in the employee base from about 10,000 to over 15,000 and a tripling of Profit After Tax from Rs. 41 crore to Rs. 130 crore (US\$27.6 million).

This performance has been achieved despite world economic slowdown. FY '09-'10 was labeled by the IMF as a year of 'sluggish recovery', especially in the developed economies, following the financial storms of the prior year. Unemployment remained high and the economic growth remained unimpressive in much of the developed world including North America where your Company has most of its clients.

The weak revenue growth intensified the need to manage costs and the outsourcing industry plays a major role in this effort. With a well balanced mix of onshore, near shore and offshore delivery capabilities, your Company is well positioned to partner with its clients to 'make them more competitive' in line with your Company's mission.

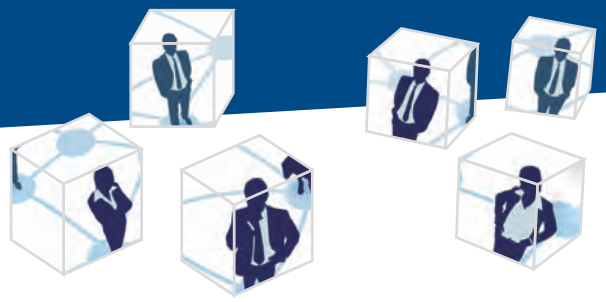
Our global delivery model provides our clients with access to a diversified pool of human resource talent at different price points. About a half of the revenue from our North America clients is delivered from our centres in the U. S. and Canada and the other half is serviced off-shore in India, Philippines and Mauritius. In FY '09-'10,

your Company succeeded in its goal to have more of its clients take advantage of the global delivery model by using a mix of our delivery capabilities across multiple geographies.

After entering the U.K. market earlier during FY '09-'10, your Company expanded its presence in that market with the strategic acquisition, in June 2010, of Careline Services Ltd. This acquisition will enable HGSL to serve the continental European market. Your Company continues to look for attractive opportunities to enter new geographic markets and to further diversify its delivery locations in the existing markets.

Your company's strategy to deliver services onshore in the US, Canada and the UK is a competitive advantage in the current economic environment. This leads to a better balance between creating domestic jobs and providing our clients the advantage of access to global resources. In the same stride, inspired by the vision of the Hinduja Group Chairman S. P. Hinduja, your company has made pioneering efforts in expanding delivery centers for domestic India business into Tier III cities to make us more competitive while supporting inclusive development and creating employment opportunities beyond the metro cities.

The building blocks, that have paved the foundation for the successful growth of your Company, are made up of an 'inspired team'



which is singularly focused on 'business transformation' rather than simply providing outsourced services. This annual report salutes our 'inspired team'.

On behalf of the Board, I congratulate the HGSL team for another record year in terms of financial performance whilst keeping our customer satisfaction exceptionally and consistently high.

Yours sincerely,

A handwritten signature in blue ink, belonging to Ramkrishnan P Hinduja, the Chairman.

Ramkrishnan P Hinduja
Chairman

June 30, 2010

