

September 08, 2020

BSE Limited

Corporate Relations Department
P.J. Towers, Dalal Street,
Mumbai - 400 001.

Scrip code: 532859

National Stock Exchange of India Limited

"Exchange Plaza",
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Symbol : HGS

Dear Sirs,

Sub: Submission of Annual Report 2019-20 and Notice of Twenty Fifth Annual General Meeting)

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report for the financial year 2019-20 and the Notice of Twenty Fifth Annual General Meeting (AGM). Please note that the Annual Report contains information prescribed by Regulations 34(2) and (3) of the Listing Regulations.

We request you to note that the AGM will be held on Wednesday, September 30, 2020 at 11:00 a.m. IST through Video Conference (VC) and Other Audio Visual Means (OAVM).

Kindly take the above on records.

Thanking you,

Yours truly,

For **Hinduja Global Solutions Limited**



S. Mahadevan

EVP - Legal, Compliance & Company Secretary

Encl: As above

HINDUJA GLOBAL SOLUTIONS LIMITED

Regd. Office: Hinduja House, No. 171, Dr. Annie Besant Road, Worli, Mumbai - 400 018. India. Telephone: 91-022-2496 0707, Fax: 91-22-2497 4208, Website: www.teamhgs.co
Corporate Office: Gold Hill Square Software Park, No. 690, 1st Floor, Hosur Road, Bommanahalli, Bengaluru - 560 068. India. Telephone: 91-80-4643 1000 / 4643 1222

Corporate Identity Number: L92199MH1995PLC084610



HINDUJA GROUP



HINDUJA GLOBAL SOLUTIONS LIMITED

(CIN: L92199MH1995PLC084610)

Registered Office: Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai- 400 018
Ph. No.: 022-2496 0707, Fax: 022-2497 4208, E-mail id: investor.relations@teamhgs.com
Website: www.teamhgs.com

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of **HINDUJA GLOBAL SOLUTIONS LIMITED** will be held on Wednesday, September 30, 2020 at 11:00 A.M. **through Video Conferencing / Other Audio Visual Means ("VC")** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) the audited financial statements of the Company for the financial year ended March 31, 2020 along with the reports of the Board of Directors and the Auditors thereon; and
 - b) the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2020 along with the report of the Auditors thereon.
2. To confirm three interim dividends aggregating to ₹ 20/-, already paid, per equity share of ₹ 10/- each for the financial year ended March 31, 2020.
3. To consider appointment of a Director in place of Mr. Partha DeSarkar (DIN: 00761144), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Partha DeSarkar (DIN: 00761144), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation."

SPECIAL BUSINESS

4. **Appointment of Mr. Sudhanshu Tripathi (DIN: 06431686) as a Non-Executive & Non-Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sudhanshu Tripathi (DIN:06431686) who was appointed by the Board of Directors as an Additional Director and Non-Executive & Non-Independent Director on the Board, liable to retire by rotation, with effect from September 30, 2019 in terms of section 161(1) of the Act, and pursuant to the provisions of the Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, and that of the Board, and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Non-Executive Non-Independent Director of the Company, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

5. **Appointment of Dr. Ganesh Natarajan (DIN:00176393) as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 161 (1) of the Companies Act, 2013

("the Act") read with Rules 8, 9 and 14 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the provisions of the Articles of Association of the Company, Dr. Ganesh Natarajan (DIN: 00176393), who was appointed as an Additional Director of the Company with effect from September 30, 2019, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Act and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules 2014 and other applicable provisions and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, and that of the Board, Dr. Ganesh Natarajan (DIN:00176393), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years from September 30, 2019 up to September 29, 2024 (both days inclusive) AND THAT Dr. Ganesh Natarajan shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

6. Re-appointment of Mr. Anil Harish (DIN: 00001685) as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, and the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, and that of the Board, Mr. Anil Harish (DIN: 00001685), who was appointed as an Independent Director of the Company for a period of consecutive five (5) years from September 29, 2015 to September 28, 2020 (both days inclusive) and being eligible, be and is hereby re-appointed as an Independent Director of the Company for a second term of consecutive five (5) years, from September 29, 2020 to September 28, 2025 (both days inclusive), and that he shall not be liable to retire by rotation during his tenure as an Independent Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

7. Payment of Commission to Directors from the financial year 2020-21 and onwards of such amount not exceeding one percent of the net profits of the Company in any financial year, in addition to sitting fees being paid for attending the meetings of the Board or Committees of the Board thereof.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for payment to its Directors, in addition to the sitting fees being paid

for attending the meetings of the Board or its Committees of the Board thereof, such commission from the Financial Year 2020-21 and onwards, as the Nomination and Remuneration Committee ("**NRC**")/ the Board of Directors ("**the Board**") may from time to time determine (to be divided amongst them as may be determined by the NRC/ the Board from time to time), provided that the total commission payable to its Directors per annum, shall not exceed one percent of the net profits of the Company in any financial year, or such amount as may be permitted under the law, from time to time, as computed in the manner specified under Section 198 of the Act".

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

**By Order of the Board of Directors
For Hinduja Global Solutions Limited**

**S. Mahadevan
EVP- Legal, Compliance and
Company Secretary**

Date : September 5, 2020

Place : Bangalore

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting ("AGM") through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Twenty Fifth AGM of the Company is being convened and conducted through VC.
2. The Company has enabled the Members to participate at the Twenty Fifth AGM through the VC facility provided by KFin Technologies Private Limited (Formerly Known as "Karvy Fintech Private Limited"), Registrar and Share Transfer Agents of the Company. The instructions for participation by Members is Annexed to this notice. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. As per the provisions under the MCA Circulars, Members attending the Twenty Fifth AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is Annexed to this Notice. Such remote e-voting facility is in addition to evoting that will take place at the Twenty Fifth AGM being held through VC.
5. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
6. The Company has appointed Ms. Rupal D. Jhaveri, Practicing Company Secretary (Membership No.: FCS No. 5441 and C.P. No. 4225), to act as the Scrutinizer, to scrutinize the remote e-voting and e-voting during the Twenty Fifth AGM through VC in a fair and transparent manner.
7. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the Twenty Fifth AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment

of proxies by the Members will not be made available for the Twenty Fifth AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

8. Corporate Members are required to access the link <https://evoting.kfintech.com> and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, September 29, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of AGM.
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least 7 (seven) days before the date of the AGM so that the requested information may be made available at the Meeting.
12. In line with the MCA Circulars, the notice of the Twenty Fifth AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2019-20 will also be available on the Company's website at <https://www.teamhgs.com/investors/annual-reports>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited at <https://evoting.kfintech.com>.
13. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.
14. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's Annual report and notice for the AGM (including remote e-voting instructions) electronically.
15. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the Twenty Fifth AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investor.relations@teamhgs.com.
16. The details of the Directors seeking appointment/re-appointment at the Twenty Fifth AGM are provided in Annexure A of this Notice. The Company has received the requisite consents / declarations for such appointment/re-appointment under the Companies Act, 2013, and the rules made thereunder and other applicable laws. Further, the relevant details pursuant to Regulations 30 and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Item No. 3, 4, 5 and 6 are set out as an Annexure to the Notice.
17. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
18. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer

Agent, i.e., KFin Technologies Private Limited (Unit: Hinduja Global Solutions Limited), Selenium Tower B, 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032 to facilitate better service:

- i) Any change in their address/mandate/bank details/ email address;
 - ii) Particulars of their bank account, for printing on the dividend warrants/ drafts (to help prevent fraudulent encashment), in case the same have not been sent earlier; and
 - iii) Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
19. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent.
 20. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes thereon.
 21. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company cannot be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
 22. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer

Agent or the concerned Depository Participant, as the case may be:-

- a) the change in the residential status on return to India for permanent settlement, and
 - b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
23. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent (i.e., KFin Technologies Private Limited) for revalidation and encashment before the due dates. The details of such unclaimed dividends are available on the Company's website at www.teamhgs.com. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF.
- In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website <http://www.iepf.gov.in/> and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
24. Pursuant to the Rule 5(8) of the Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on September 28, 2019 (date of last Annual General Meeting) on its website at <https://www.teamhgs.com/investors/corporate-information/details-unclaimed-dividend> and also on the

website of the Ministry of Corporate Affairs.

25. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Registered Office.
26. The following documents will be available for inspection by the Members electronically during the Twenty Fifth AGM. Members seeking to inspect such documents can send an email to investor.relations@teamhgs.com.
 - a) Certificate from the Statutory Auditors relating to the Company's Stock Options/ Restricted Stock Units Plans under SEBI (Share Based Employee Benefits) Regulations, 2014.
 - b) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.
27. As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD- NRO/GN/2018/49 dated November 30, 2018 effective April 01, 2019, except in case of transmission or transposition of shares, requests for effecting transfer of shares in physical form shall not be processed unless the shares are held in the dematerialized form with depositories. Therefore, shareholders are requested to take prompt action for dematerialization of equity shares of the Company, communication in this regard has been sent to the shareholders by the Company's R & T Agent.
28. Members are requested to quote their Folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Company's Registrar and Share Transfer Agent.
29. In case of any queries regarding the Annual Report, the Members may write to investor.relations@teamhgs.com to receive an email response.
30. As the Twenty Fifth AGM is being held through VC, the route map is not annexed to this Notice.
31. In accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company has fixed Wednesday, September 23, 2020 as the cut-off date to determine the eligibility of Members to vote by electronic means (i.e., remote e-voting) or e-voting during the Annual General Meeting through VC. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e., Wednesday, September 23, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting during the Twenty Fifth AGM through VC.
32. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
33. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
34. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- 35. Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s KFin Technologies Private Limited.

Voting at the e-AGM: Members who could not vote through remote e-voting may avail the e-voting system provided at the venue by M/s KFin Technologies Private Limited.

ANNEXURE 'A' TO THE NOTICE

Information pursuant to the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking Appointment / Re-appointment.				
(Item Nos. 3, 4, 5 and 6 of the Notice)				
Name of the Director	Partha DeSarkar	Sudhanshu Tripathi	Ganesh Natarajan	Anil Harish
Date of Birth / Age.	May 17, 1963 - 57 years.	June 07, 1959 – 61 years	January 18, 1957 - 63 years	March 19, 1954 - 66 years
Date of Appointment / re-appointment on the Board of Hinduja Global Solutions Limited ("the Company" or "HGS")	Director liable to retire by rotation and seeking re-appointment. Appointed as Executive Director (Whole-time Director) effective September 04, 2019.	September 30, 2019 as an Additional Director and Non-Executive & Non-Independent Director.	September 30, 2019 as an Additional Director and Independent Director.	September 29, 2015 as an Independent Director.
Brief resume and nature of expertise in functional areas.	Mr. Partha DeSarkar, is an Executive Director (Whole-time Director), of Hinduja Global Solutions Limited ("the Company") for a period of five (5) years with effect from September 04, 2019 up to September 03, 2024 (both days inclusive). He joined the Company in 2003 and was Manager of the Company from April 2007 to September 03, 2019. He has been a part of the growth story of the Company. He has around 30 years of experience in customer service and operations across industries like Banking, Financial Services, Healthcare and Insurance. Prior to joining the Company, Mr. Partha DeSarkar has set up complex outsourcing projects in organizations like Deloitte Consulting, GE Capital International Services and Bank of America. He has set up and run operations for large remote processing centers in India to service international clients. He holds a postgraduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore, and a Master's Degree in Technology from the Indian Institute of Technology (IIT), Chennai. He has a PhD in Management from the Indian Institute of Technology (IIT), Delhi. Mr. Partha DeSarkar has recently been appointed as the NASSCOM BPM Council Chairperson for the period 2019-21. He has been associated with NASSCOM D&I Council for many years.	Mr. Sudhanshu Tripathi is a member of Hinduja Group's apex Global Leadership. Apart from collective leadership responsibilities, he oversees: i) Board Governance, effectiveness and assessment process ii) Group Human Capital Strategy & Execution iii) Group leadership lifecycle He is Director on Board of Hinduja Leyland Finance Limited, Hinduja Ventures Limited and Ashley Aviation Ltd. He is a seasoned HR professional with over 36 years work experience; 23 of them at leadership level. He has had direct exposure of Telecom, IT, Engineering, Metal, Power, Financial Sources, Media and other diversified domains and brings a strong business perspective to his work. He has worked as a shop floor Engineer, IT Specialist, Management Development Professional before choosing HR as career. He specialises in very large and diversified multi location conglomerates. He also serves as a Member of Board of Directors of many Hinduja Group Companies.	Dr. Ganesh Natarajan is Executive Chairman and Founder of 5F World, a platform for Digital Start-ups, Skills and Social Ventures in the country. He is also Founder of Global Talent Track and Skills Alpha and co-founder of two Indo-US Joint Ventures – Kalzoom Advisors and the Center for AI and Advanced Analytics. Ganesh has a Masters' in Industrial Engineering from NITIE Mumbai, PhD from IIT Bombay and AMP from Harvard Business School. He has received the Distinguished Alumnus Award of IIT Bombay and NITIE and has been recognized by EY and the Asia Pacific HR Forum for excellence in technology entrepreneurship and people-centric leadership. He has completed two successful CEO tenures over twenty-five years at APTECH and Zensar Technologies. Harvard Business School has written and teaches two case studies on Dr. Ganesh Natarajan and his success through Vision Communities Ganesh has recently been elected by the shareholders of State Bank of India to serve on its Board of Directors. He also serves on the Boards of Principal Asset Management, Hinduja Global Solutions Ltd., LHI Digital, Asian Venture Philanthropy Network, Singapore, Systech Los Angeles and Social Venture Partners (SVP) International, Seattle. He is Chairman and Board Director of Social Venture Partners India and Pune City Connect. .	Mr. Anil Harish has B.A., LL.B., and LL.M. (USA) degrees. He is an Advocate and a partner of D.M. Harish & Co., a well-known Firm of Advocates and he possesses over thirty-five years of experience in legal practice, specializing in Corporate Law, Income-tax, FEMA and property matters. Mr. Anil Harish was member of the Advisory Board of All India Business Council, was Executive Vice President of the Society of Indian Law firms (SILF), and was member of the Managing Committee of Indian Merchants Chamber, ITAT Bar Association and Chamber of Income Tax Consultants. He has written several articles on Legal and Tax matters.

		Prior to joining Hinduja Group in 2008, he has worked with (a) Essar Group - Leading HR function as Chairman of Group HR Council, (b) Reliance Communications as a member of the top leadership team responsible for design, build up and HR process institutionalisation, (c) Usha Martin Group as Head - Corporate HR, and (d) Tata Steel, at various levels. He has received many awards, the most recent one being Business World Award for outstanding HR. He has been a Member of Eastern Regional Council, All India Mgmt. Association and has also been associated with FICCI, EFJ and Rotary Club. He has taught at XLRI, Indian Institute of Coal Management and other Management Schools as Visiting Faculty.	Ganesh has been Chairman of Industry association NASSCOM and NASSCOM Foundation and various National Committees of the Confederation of Indian Industry and the All India Management Association. He has also been President of the HBS Club of India. He chaired NASSCOM's first US event in New York in 2016. He is keenly interested in the role of digital technologies for reengineering processes in the corporate and social sector and is an author of eight books and numerous articles. He lives in Pune, India.	
Relationship between Directors / KMP inter-se.	None	None	None	None
Name of the listed companies in which the person holds Directorships. (excluding HGS)	None	1) NXTDIGITAL Limited 2) GOCL Corporation Limited	1) State Bank of India	1) NXTDIGITAL Limited 2) Blue Star Limited
Memberships/Chairmanship of Committees of the Board of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee). (excluding HGS & its subsidiaries and Foreign entities.)	None	Audit Committee: 1) NXTDIGITAL Limited (Member) 2) GOCL Corporation Limited (Member) 3) IDL Explosives Limited (Member) Stakeholders Relationship Committee: 1) GOCL Corporation Limited (Member) 2) Hinduja Leyland Finance Limited (Member)	Audit Committee: None Stakeholders Relationship Committee: None	Audit Committee: 1) NXTDIGITAL Limited (Chairman) 2) Blue Star Limited (Chairman) Stakeholders Relationship Committee: None
Number of meetings of the Board attended during the year 2019-20.	Attended Eleven Board Meetings	Attended Nine Board Meetings	Attended Seven Board Meetings	Attended all Sixteen Board Meetings
Details of Shareholding of Non – Executive Director	Not applicable, since he is "Executive Director" of the Company.	'Nil' shareholding in the Company.	500 equity shares of the Company.	'Nil' shareholding in the Company

ANNEXURE ‘B’ TO THE NOTICE

Item no. 3 (Explanatory Statement):

Mr. Partha DeSarkar (DIN: 00761144), was appointed as an Executive Director (Whole-time Director), liable to retire by rotation, effective September 04, 2019 for a period of five years at the Twenty Fourth AGM held on September 28, 2019. Mr. Partha DeSarkar has been recognised as a Key Managerial Personnel (KMP) pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In compliance with the provisions of Section 152 of the Companies Act, 2013, it will be necessary for Mr. Partha DeSarkar, to come up for retirement by rotation at the ensuing AGM. Mr. Partha DeSarkar, being eligible has offered himself for re-appointment as a Director at the ensuing Twenty Fifth AGM to be held on September 30, 2020. Accordingly, the Notice dated September 5, 2020, at item No.3, contains a proposal for his appointment.

Your Directors recommend the resolution set out at Item No. 3 of the accompanying Notice for the approval of members.

Mr. Partha DeSarkar is not related to any other Directors of the Company. None of the Directors and /or key managerial personnel of the Company and their relatives except for Mr. Partha DeSarkar, are directly or indirectly concerned or interested financially or otherwise in the resolution set out at Item No.3 of the accompanying Notice.

For additional / other details, such as Age, Brief profile, Directorships in listed companies, number of meetings of the board attended during the year, etc., please refer to the Annexure A to the accompanying Notice.

Explanatory Statement pursuant to Section 102 of the Companies Act 2013 relating to Item Nos. 4, 5, 6 and 7 of the accompanying Notice.

Item No. 4:

Appointment of Mr. Sudhanshu Tripathi (DIN: 06431686) as a Non-Executive & Non-Independent Director of the Company.

The Board of Directors of the Company had appointed Mr. Sudhanshu Tripathi as an Additional Director and Non-Executive & Non-Independent Director of the Company, with effect from September 30, 2019. In terms of the provisions of Section

161(1) of the Act, he holds office till the date of this Annual General Meeting and is eligible for appointment. As required under Section 160 of the Act, the Company has received a notice in writing dated August 31, 2020, along with a deposit of Rs. 1,00,000/- from a member proposing the candidature of Mr. Sudhanshu Tripathi for the office of Director of the Company.

Mr. Sudhanshu Tripathi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

Your Directors recommend the resolution set out at Item No. 4 of the accompanying Notice for the approval of members.

Mr. Sudhanshu Tripathi is not related to any other Directors of the Company. None of the Directors and /or key managerial personnel of the Company and their relatives except for Mr. Sudhanshu Tripathi, are directly or indirectly concerned or interested financially or otherwise in the resolution set out at Item No.4 of the accompanying Notice.

For additional / other details, such as Age, Brief profile, Directorships in listed companies, number of meetings of the board attended during the year, etc., please refer to the Annexure A to the accompanying Notice.

Item No. 5:

Appointment of Dr. Ganesh Natarajan (DIN:00176393) as an Additional Director and Independent Director of the Company:

The Board of Directors (“the Board”) at their meeting held on September 30, 2019, appointed Dr. Ganesh Natarajan (DIN: 00176393), as an Additional Director (Independent Director) of the Company with effect from September 30, 2019 for a period of five (5) consecutive years from September 30, 2019 to September 29, 2024 (both days inclusive) subject to the approval of the members of the Company. Dr. Ganesh Natarajan had provided his consent to act as director, if appointed, declaration under Section 164 of the Act to the effect that he is not disqualified from being appointed as Director and other requisite documents/ confirmations as required to be submitted at the time of appointment. The matter relating to appointment of Dr. Ganesh Natarajan as an Additional Director as well as his appointment as Independent Director was placed before the Nomination and Remuneration Committee (NRC) held on September 30, 2019.

In terms of the provisions of Section 161 of the Act and the Articles of Association of the Company, he holds office up to the date of the ensuing Twenty Fifth Annual General Meeting to be held on September 30, 2020.

The Company has received a Notice dated August 31, 2020 under Section 160 of the Companies Act, 2013 ("the Act") from a member of the Company, proposing the candidature of Dr. Ganesh Natarajan (DIN:00176393) for appointment as Independent Director of the Company for the first term of five (5) consecutive years at the ensuing Annual General Meeting of the Company.

In terms of Section 149 of the Act, an Independent Director can be appointed for a first term of five (5) consecutive years and is not liable to retire by rotation. Dr. Ganesh Natarajan has submitted declaration to the Board to the effect that he meets the criteria of Independence as stipulated in Section 149 (6) of the Act as well as under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on declarations received from Dr. Ganesh Natarajan and based on the Board's evaluation and veracity of Independence in the opinion of the Board, Dr. Ganesh Natarajan fulfils the conditions for appointment as an Independent Director as prescribed under the Act and rules made thereunder as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and he is independent of Management.

For additional / other details, such as Age, Brief profile, Directorships in listed companies, number of meetings of the board attended during the year, etc., please refer to the Annexure A to the accompanying Notice.

The Board is of the view that considering the professional qualifications, expertise and vast experience in the corporate laws, the proposed appointment of Dr. Ganesh Natarajan as a Director and as an Independent Director would be beneficial and in the best interest of the Company.

In compliance with Section 149 of the Act read with Schedule IV of the Act, the proposal relating to appointment of Dr. Ganesh Natarajan as an Independent Director is being placed at the ensuing Twenty Fifth AGM to be held on September 30, 2020 for the approval of the members.

Draft letter of appointment to be issued to Dr. Ganesh Natarajan, as an Independent Director, setting out the terms and conditions for his appointment, would be available for inspection electronically during the 25th AGM without any fee.

Dr. Ganesh Natarajan is not related to any other Directors of the Company. None of the Directors and / or key managerial personnel of the Company and their relatives except Dr. Ganesh Natarajan, are directly or indirectly concerned or interested financially or otherwise in the resolution set out at Item No.5 of the accompanying Notice.

Your Directors recommend the resolution set out at Item No. 5 of the accompanying Notice for the approval of the members.

Item No. 6:

Re-appointment of Mr. Anil Harish (DIN: 00001685) as an Independent Director of the Company:

At the Twentieth Annual General Meeting of the Members of the Company held on September 29, 2015, Mr. Anil Harish (DIN: 00001685) was appointed as an Independent Director of the Company for a period of five (5) consecutive years from September 29, 2015 to September 28, 2020 (both days inclusive) in accordance with the provisions of the Companies Act, 2013("the Act").

Under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], Independent director would retire on a date, which is earlier of the following events:

- Age: Attaining the age of 75 years; or
- Term completion: Completion of two consecutive terms of five (5) years.

Further, as per Section 149(10) and Section 149(11) of the Act, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

The Board of Directors ("the Board") based on the performance evaluation for the financial year 2019-20 and earlier financial years since his appointment as an Independent Director, and also

of the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on September 5, 2020 has recommended for the approval of the members, the re-appointment of Mr. Anil Harish as an Independent Director of the Company for the second term of five (5) consecutive years from September 29, 2020 to September 28, 2025 (both days inclusive) in terms of Section 149 read with Schedule IV of the Act, and Listing Regulations or any amendment thereto or modification thereof.

The Company has received from Mr. Anil Harish following documents:

- i) the consent in writing to act as a director in Form DIR 2 pursuant to Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, in the event he is re-appointed for the second term of five (5) years commencing from September 29, 2020 to September 28, 2025 (both days inclusive),
- ii) Intimation in Form DIR 8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, confirming his eligibility for such re-appointment, and
- iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Act.

As required under section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mr. Anil Harish as an Independent Director

In the opinion of the Board and based on the Board's evaluation and veracity of Independence of Mr. Anil Harish which was carried out, the Board concluded that, Mr. Anil Harish fulfils the conditions specified in the Act and Rules made thereunder for his re-appointment as an Independent Director of the Company and he is independent of the Management.

Mr. Anil Harish is the member of the following Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Your Company has benefitted immensely by the contribution, advice and guidance provided by Mr. Anil Harish, in the areas of audit, legal, finance

and other strategic areas. The Board, therefore, considers that the continued association of Mr. Anil Harish would be of immense benefit to your Company and the proposed re-appointment of Mr. Anil Harish would be in the interest and wellbeing of the Company.

Accordingly, your Directors recommend the special resolution relating to the re-appointment of Mr. Anil Harish as an Independent Director, for the approval by the members of the Company.

A copy of the draft letter to be issued by the Company on re-appointment of Mr. Anil Harish as an independent director, setting out the terms and conditions thereof would be available for inspection without any fee by the Members electronically during the 25th AGM.

For additional / other details, such as Age, Brief profile, Directorships in listed companies, number of meetings of the board attended during the year, etc., please refer to the Annexure A to the accompanying Notice.

Approval of the members of the Company to the Special Resolution set out at Item No. 6 of the accompanying Notice is being sought pursuant to Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and as per the SEBI Listing Regulations, as applicable.

Mr. Anil Harish is not related to any other Directors of the Company. None of the Directors and / or key managerial personnel of the Company and their relatives except Mr. Anil Harish, are directly or indirectly concerned or interested financially or otherwise in the resolution set out at Item No.6 of the accompanying Notice.

Item No. 7:

Payment of Commission to Directors from the financial year 2020-21 and onwards of such amount not exceeding one percent of the net profits of the Company in any financial year, in addition to sitting fees being paid for attending the meetings of the Board or committees of the Board thereof.

The shareholders at the Annual General Meeting ("AGM") of the Company held on September 29, 2015, approved payment of commission not exceeding one percent of the net profits of the Company, in any financial year, for a period of 5 (five) years commencing from the Financial Year April 1, 2015.

The Directors of the Company are being paid Rupees One Lakh per Meeting as sitting fees for attending each of the meetings of the Board of Directors and Audit Committee; and Rupees Fifty Thousand for each of the meetings of the Stakeholders Relationship and Share Allotment Committee and the Nomination and Remuneration Committee ("NRC"). The competitive business environment, the stringent corporate governance norms, complex Regulations and laws applicable to the business and operations of the Company, requires increased level of commitment and involvement of the Directors in the deliberations at the Board and decision making process of the Company. The enhanced responsibility of the Directors requires them to devote substantial time, effort and energy in discharging their duties and responsibilities.

In view of the above, it is proposed to continue the payment of commission to the Directors of the Company, from the Financial Year 2020-21 and onwards of such amount not exceeding one percent of the net profits of the Company in any financial year, or such amount as may be permitted under the law, from time to time, as computed in the manner specified under Section 198 of the Companies Act 2013.

The NRC / the Board of Directors may from time to time determine division of the Commission to be paid to each of the Directors.

Except Executive Director (Whole-time Director), all the Directors of the Company and their relatives are interested in the Resolution, since it relates to their respective remuneration. None of the Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the accompanying Notice.

Your Directors recommend the resolution set out at Item No. 7 of the accompanying Notice for the approval of the members.

**By Order of the Board of Directors
For Hinduja Global Solutions Limited**

S. Mahadevan
EVP- Legal, Compliance and
Company Secretary

Date : September 5, 2020
Place : Bangalore

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE:

Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- a Those shareholders who have not registered their mail address and mobile nos, including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Tech Private Limited in case the shares held in physical form.
- b Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Tech Private Limited, by clicking the link: <https://ris.kfintech.com/emailreg> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:ris@kfintech.com).
- c Shareholders may also be requested to visit the website of the company www.teamhgs.com or the website of the Registrar and Transfer Agent www.karisma.kfintech.com for downloading the Annual Report and Notice of the e-AGM.
- d Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email

address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE:

1. Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Tech Private Limited. Members may access the same at <https://evoting.kfintech.com> under shareholders / members login by using the remote evoting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
3. Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
4. Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may log into <https://evoting.kfintech.com> may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members' questions will be answered only, if the shareholder continues to hold the shares as of cut-off date BENPOS.
6. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE e-AGM SESSION:

1. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM.
2. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM.

INSTRUCTIONS FOR MEMBERS FOR REMOTE e-VOTING:

The instructions for remote e-voting are as under:

- A. In case a Member receives an e-mail from KFin Technologies [for members whose e-mail IDs are registered with the Company/Depository Participant(s)]:
 - (i) Launch the internet browser by typing the following URL: <https://evoting.kfintech.com>.
 - (ii) Click on "Login"
 - (iii) Enter the login credentials with the password provided in the e-mail received from KFin Tech (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin Tech for e-voting, you can use your existing User ID and password for casting your vote.
 - (iv) If you are logging in for the first time, please enter the user ID and password provided in the e-mail of KFin Technologies as initial password. Password change menu will appear on your screen wherein you are required to mandatorily change your password. Change the password with new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email Id etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVEN (E-Voting Event Number)" for Hinduja Global Solutions Limited.
 - (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut- off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - (viii) Members holding shares under multiple folios/ demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (ix) Voting has to be done for each item of this Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - (x) Cast your vote by selecting an appropriate option and click on "Submit".
 - (xi) A confirmation box will be displayed. Click "OK" to confirm else, "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (xii) Corporate/ Institutional members (i.e., other than individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer through e-mail at rupal@csrdj.com with a copy marked to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
- B. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- C. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> or contact Mr. Premkumar Nair (Unit: Hinduja Global Solutions Limited) at KFin Tech Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or via phone: 040 - 6716 2222 or call KFin Tech: toll free No. 1-800- 34-54-001 for any further clarifications.
 - D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - E. The remote e-voting period commences on Saturday, September 26, 2020, at 9:00 a.m. (IST) and ends on Tuesday, September 29, 2020, at 5.00 p.m. (IST) During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 23, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by KFin Technologies for voting thereafter. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast their vote again.
 - F. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of September 23, 2020.
 - G. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of this Notice and holding shares as of the cut-off date of September 23, 2020 may obtain the login ID and password in the manner mentioned below:
 - (i) If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD

<space> E-Voting Event Number + Folio No.
or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD*SPACE>IN12345612345678

Example for CDSL:

MYEPWD *SPACE>

1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- (ii) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (iii) Member may call KFin Technologies toll free number 1800-3454-001.
- (iv) Member may send an e-mail request to evoting@kfintech.com

H. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him who shall counter sign the same.

I. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.teamhgs.com and on the website of KFin Technologies at [https:// evoting.kfintech.com](https://evoting.kfintech.com) immediately after the Result is declared by the Chairman or any other person authorized by him and shall be simultaneously communicated to the National Stock Exchange of India Limited and BSE Limited, where the Equity shares of the Company are listed. The Results shall also be displayed on the Notice Board at the Registered Office and Corporate Office of the Company.

DIGITALLY EMPOWERING BUSINESS. PEOPLE. TECHNOLOGY



ANNUAL REPORT
2019-20



DIGITALLY EMPOWERING BUSINESS. PEOPLE. TECHNOLOGY

The 2020's decade is set to witness a disruption in the way the economy, businesses and consumers across the world function, live and work as well as sell and buy products & services, led by today's key driver of change – Digital. HGS is adapting to this change by undergoing an evolution of its own... We are shifting to become a 'Technology-led BPM Company', where people, technology and business intersect to create the right impact.

The theme of this annual report revolves around this growing connection... about how HGS is integrating people and domain expertise with technology innovation – led by AI, automation, analytics, cloud and social care to deliver better outcomes to our clients, including higher savings, productivity and customer experience.

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SHRI PARMANAND DEEPCHAND HINDUJA
FOUNDER - HINDUJA GROUP

WORK TO GIVE | ACT LOCAL, THINK GLOBAL

WORD IS A BOND | ADVANCE FEARLESSLY

PARTNERSHIP FOR GROWTH

The five principles, distilled from the lifetime experiences of the Founder of Hinduja Group, Late Shri Parmanand D. Hinduja, serve as the cultural cornerstones of the businesses of the Group, leading to a synergistic and creative partnership of professional management and entrepreneurship among the Group companies.

OUR VISION :

To be a globally preferred business process transformation partner for our clients, creating value in their business through innovative outsourcing solutions

OUR MISSION :

To make our clients more competitive

OUR VALUES :

Based on the five principles established by our Group Founder, HGS has evolved Seven Values that weave the different cultures across HGS and its subsidiaries into one fabric.



Global Mindset

We think globally, respect cultural diversity and provide equal opportunities for all employees.



Quality

We believe in continuous improvement through innovation, process enhancement and team work.



Sustained Growth

We are driven to grow our business rapidly and profitably to create value for all our stakeholders.



Pride in Execution

We deliver consistently superior business results by excelling in what we do for our clients.



Customer Focus

Our customer is at the centre of what we do.



Empowerment

We encourage employees to take ownership of their actions, be proud of their achievements and celebrate successes.



Integrity

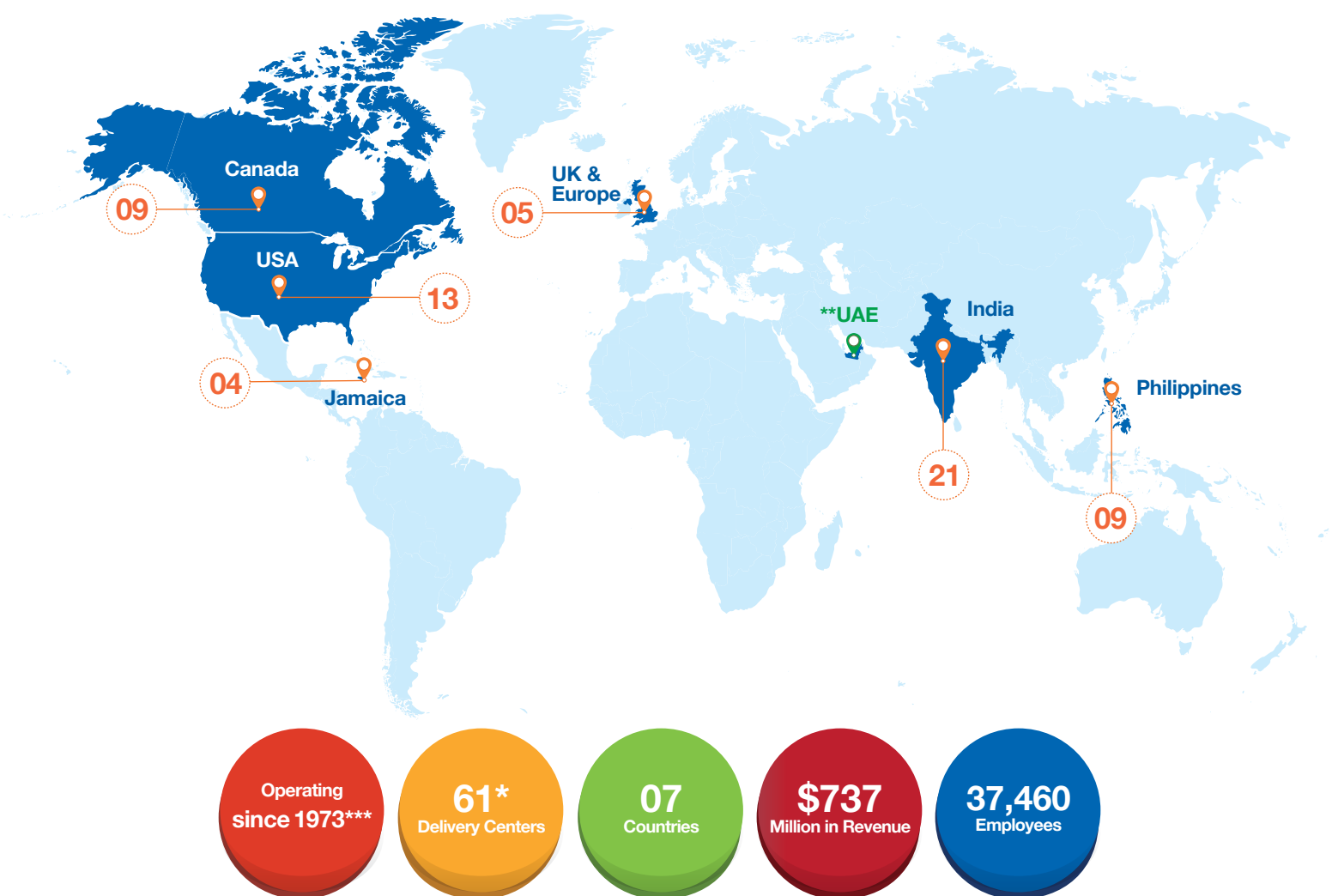
Integrity is the cornerstone of all our dealings - be it with our employees, customers, suppliers, government or the communities we serve.

HGS AT A GLANCE

A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centers and HRO solutions to deliver transformational impact to clients. HGS takes a true “globally local” approach, with our employees making a difference to some of the world’s leading brands across nine key verticals.

HGS' Presence

Optimizing the Customer Experience... helping our Clients become More Competitive



Notes:

*Number of delivery centers as of 31st March, 2020

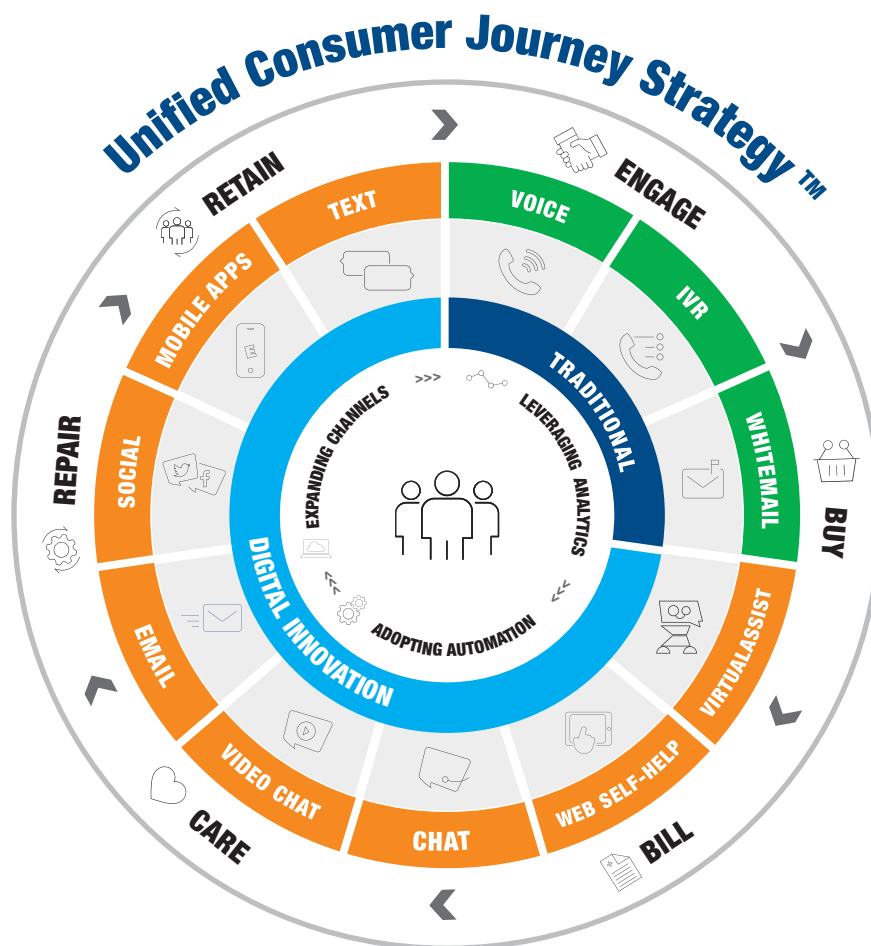
**UAE Office

*** The company began in 2000 as HTMT; In 2006, the company restructured the BPM division as Hinduja Global Solutions (HGS). The company has made multiple acquisitions, some of whom have been operating since 1973.

HGS AT A GLANCE

Our distinctiveness is our domain expertise and finding ways to create value through intelligent innovation

- Expanding Channels
- Leveraging Analytics & Insights
- Adopting Automation
- Personalized, High Touch CX



Our Approach – Driven by Innovation. Powered by People.

At HGS, we believe transparency and alignment are required to achieve long-term success. We grow with our clients and help them along the customer experience transformation journey.



Brilliant at the Basics

We hire the right people and ensure our talent has competence and confidence. Our performance management leads to tangible outcomes, and our meticulous processes ensure risk mitigation. We ensure that our communication with all our stakeholders is with honesty, transparency and speed.



Solve Problems, Earn Trust

We understand the consumer journey and the conventional pain points in the industries which we support. Our solutions are developed to address these problem areas, ultimately earning the trust of our partners as well as their end customers.



Create Value through Innovation

We improve the consumer journey through personalization, enabled by AI, analytics and automation. Our innovative solutions factor in ease of access for consumers and enable them to get the right answers, fast.

BOARD OF DIRECTORS

Hinduja Global Solutions Limited



Mr. Ashok P. Hinduja

Chairman Emeritus



Yashodhan Madhusudan Kale

Chairman*



Mr. Anil Harish

Independent Director



Ms. Bhumika Batra

Independent Director*



Mr. Sudhanshu Tripathi

Non-executive Director*



Dr. Ganesh Natarajan

Independent Director*



Mr. Partha DeSarkar

Executive Director (Whole-time Director)*

Notes: *since September, 2019

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to share that HGS delivered another strong year, with growth in revenue and PAT powered by a robust performance in the healthcare and consumer engagement services (CES) verticals.

Your Company recorded a revenue growth of 8.7% YoY for FY2020 to reach Rs. 52,354 million (\$737 million). EBITDA increased significantly by 62.4% YoY to Rs. 7,165 million, with margins closing at 13.7%. PAT for the year grew by 16.6% YoY to Rs. 2,056 million. HGS' Board has doubled the total dividend to Rs. 20 per share for FY2020. The PAT of Rs. 2,056 million has been achieved after exceptional costs of Rs. 211 million arising from impairment of intangibles of a subsidiary.

These results are the product of several initiatives taken to enable sustainable growth in the last couple of years – from

strengthening our value proposition as a technology-led BPM company, building a stronger domain portfolio across our businesses, re-skilling/ upskilling our people to today's evolving needs, and being financially prudent. Kudos to TeamHGS for their hard work and commitment to drive this stellar performance!

Today, we are witnessing a change that's bigger than anything we personally have seen before. A public health crisis in COVID-19 has turned our lives upside down, impacting the way we live, work and engage with each other. Both individuals and businesses have been hit hard, leading to an unsettled global environment. While we are already in the middle of a deep recession and the situation is expected to continue till there is a vaccine, analysts suggest that there will be long-term impact too. But what that will be is still uncertain, as has been everything about this pandemic.

Having been part of the Hinduja Group for several years,

“

We are building HGS 2.0 - a company that brings together business, technology and people to drive transformational impact for our clients in their industries.

”



and recently as a Board member at HGS, I have been fortunate to track your Company's journey closely - right from a small 23-member team in Bengaluru supporting one healthcare client to a global organization that has grown rapidly to currently support 907 clients (both BPM and HRO/ payroll) across verticals and services. During this journey of over 20 years, HGS has lived by the motto “every challenge provides you with an opportunity to excel.” We have leveraged the positive can-do spirit and innovative mindset of our people to create opportunities out of challenges, surviving and thriving to become one of the top BPM companies in the world. Today, HGS enjoys ‘preferred partner’ status with many of its clients.

With everything that's happening around us, including the change led by the pandemic, we are focused on being ahead in the steeplechase. HGS is investing significantly in sustaining its edge in the traditional sectors, such as healthcare where we are market leaders, while looking to broaden our domain competence and build capabilities in adjacent competencies in parallel. Our strategy has been to use a combination of developing solutions in-house and add through acquisitions to deepen our domain expertise and support clients' needs end-to-end. We have been successful in executing this strategy, and are seeing good traction from our clients, who are looking for a partner who not only understands their industry, but also has leading technology abilities. A case in point is Element Solutions LLC (now renamed as HGS Digital LLC), in which we acquired a majority stake in FY2018. A core part of our digital solutions business, the unit grew its revenues by over 18% to reach \$18.4 million for FY2020. Over the last 17 months, we hiked our stake in HGS Digital LLC from 57 % to 85.66%.

Your company continues to receive recognition from third party organizations and industry bodies for its solutioning capabilities, impact created for clients, people practices and CSR initiatives. These laurels are intangible recognition of how HGS is perceived in the market and the ecosystem - a thought leader, best place to work and a community partner. Inclusion is an area of significant focus at HGS. We continuously look to create an environment where the best talent can work and give their best, irrespective of gender, background or disability. Some of the achievements seen during the year include:

- 44% women representation in the HGS India workforce
- 2,000+ AGRIMA graduates (special leadership development program for women below manager level)
- Around 170 PwD employees in India
- 7000+ employees in HGS India completed PwD sensitization e-module launched in FY2020
- Launch of Equal Opportunity Policy

During this year, HGS sold its India Domestic CRM business to focus on the more profitable global delivery and digital solutions business. The sale included transferring 32 client contracts, about 7,000 employees and assets at nine delivery centres across India to the buyer.

HGS continues to be inspired by the principles of Mr. P. D. Hinduja, the founder of the Hinduja Group, whose life experiences have proven to be relevant for the success of your Company. We convey our sincere gratitude to HGS Chairman Emeritus Mr. A. P. Hinduja, whose vision and perspectives help steer your Company's vision.

Congratulations to the new members of the Board – Mr. Sudhanshu Tripathi, Ms. Bhumika Batra, Dr. Ganesh Natarajan, as well as our CEO, Mr. Partha DeSarkar who is now elevated as Executive Director. I look forward to the active support of the new Board members, along with guidance of Mr. Anil Harish, as HGS continues its growth journey.

Looking ahead, we recognize that technology is going to play a bigger role in the coming years. The massive adoption of digital solutions since the pandemic started has accelerated this change. We are therefore investing time and capital to enhance our technology capabilities with the help of the foundation built by our acquisition of Element Solutions. The HGS of the new decade will be a technology-led BPM services company, leveraging artificial intelligence, analytics and big data, machine learning, virtual reality and IoT (Internet of Things) to offer new-age solutions for our clients' businesses. We are building HGS 2.0 - a company that brings together business, technology and people to drive transformational impact for our clients in their industries.

Finally, I wish to express our appreciation to all our shareholders and other stakeholders for reposing their trust in us, and to the rest of TeamHGS for continuing to build a strong customer-focused organization.

Yours sincerely,

Yashodhan Madhusudan Kale
 Chairman

September 5, 2020

CEO'S MESSAGE

“

This new normal has new realities and demands new strategies. HGS is transforming to become a technology-led BPM player, led by a focus on performance, preparedness and future-proofing.

”



Dear Shareholders,

HGS posted an exceptional performance in the financial year ended March 31, 2020. Led by the continued trust by clients, commitment of TeamHGS and guidance by key stakeholders, your Company achieved three significant milestones in this record year –

- It was the first time our revenues crossed Rs. 5,000 crores and US\$ 700 million.
- The first time our EBITDA crossed a US\$100 million.
- And the first time our profit after tax crossed Rs. 200 crores, a 16.6% growth over the previous year.

HGS' Board has announced total dividends of Rs. 20/share for FY2020, double the total dividend of Rs. 10/share for FY 2019.

We saw robust performances across healthcare (accounting for 53.5% of overall revenues), Customer Engagement Services and HGS Digital businesses, and most of our geos. We significantly improved our margins through a combination of growth and efficiency measures such as revised pricing in certain contracts, turnaround in Canada operations, exit from unprofitable accounts and reduction in capital expenditure.

I am also pleased with our performance on the client front. Revenue growth from the top 5 clients and top 20 clients grew by 11.3% YoY and 9% YoY, respectively. This is a clear endorsement of our preferred vendor status with our key clients. Meanwhile, we won 59 new

logos in the year (29 for core BPM services and 30 for HRO/ payroll/ F&A services), a new high for HGS. Both these trends showcase our ability to deepen our relationships with tenured clients as well as make inroads into new accounts across verticals.

In September 2019, we launched HGS Digital, our new brand focused on providing high-end digital strategy and transformative digital-first solutions to clients. The brand, which combines all our new-age technology-led services has signed multiple engagements for RPA, digital, analytics and Social Care services with 28 clients (new and existing). Our digital revenues grew by 24.7% YoY and accounted for 8.3% of overall revenues in FY2020. Our Digital initiatives are led by HGS Digital LLC (formerly known as Element Solutions LLC). During FY 2020 and thereafter, HGS has increased its stake in HGS Digital LLC from 57% to 85.66%.

HGS Colibrium Inc, the platform services company, was acquired by HGS in 2015. During FY 2020, HGS increased its stake in HGS Colibrium Inc to 100% and has repurposed HGS Colibrium as a healthcare technology services company, which designs and implements technology-based solutions for HGS' healthcare business.

During this year, we sold the India Domestic Customer Relationship Management (CRM) business to Altruist Technologies Private Limited. The sale was consummated in January 2020. As part of this sale,

CEO'S MESSAGE

HGS transferred 32 client contracts, about 7,000 employees and Nine delivery centres in India to the buyer in January-end, 2020. We took the decision to sell this business as we felt that this was no longer a strategic fit in our overall business portfolio. We continue to evaluate the portfolio of businesses that we operate today and would take decisions in the best interests of the Company and its shareholders.

COVID-19 – The HGS response

While the year went well, the achievement I am most proud of is what transpired in the last 30 days of March 2020, when the pandemic hit.

In the wake of lockdowns and social distancing guidelines, our endeavor was to shift as many of our employees to the work from home (WFH) mode, wherever possible. In the biggest-ever initiative I have witnessed as the CEO of this company for the past 15 years, we managed to shift majority of our 37,000+ workforce to WFH. We faced challenges of securing client approvals, shifting tens of thousands of desktops/laptops to employees' homes, delivering to far-flung locations, getting transport passes, arranging for tech infrastructure to manage a suddenly large WFH architecture, ensuring security of client data, etc. And it happened in just 30 days. Incredible!

With COVID-19 continuing to impact everyone across the world, the last few months have tested our ability to adapt. We have found a new way of working, training and engaging with each other and the clients from our homes. Even hiring and onboarding of new joiners is now online, and we have recruited over 2,000 people through virtual mode in the last four months. It's been a huge shift in mindset and an incredible learning for all of us. I thank every employee of HGS for their commitment and can-do spirit in living our value of 'Pride in Execution.'

There are millions of people across the world who depend on TeamHGS to deliver. Be it hospitals and insurance members dealing with thousands of claims,

telecom and technology companies helping people connect with each other or retail and ecommerce companies who are open for delivery. Through hundreds of calls and emails, clients have appreciated the swift mobilization of our operations to continue supporting their business. They have reposed their faith in HGS delivering not just the standard SLAs but also entrusting us with extended projects that other BPM firms couldn't deliver on during these challenging times.

Future Forward

In my message to you two years ago, I had mentioned that digital's impact is being seen across industries and regions. Today, the humanitarian crisis created by COVID-19 has brought out the importance of digital technologies. The pandemic has taken a heavy toll on peoples' lives, economies, societies and businesses. Now, more than ever before, digital technologies are acting as catalysts of change on a scale not seen before. Prior to March 2020, who would have thought that video calls would be the only way to connect, for both businesses and individuals?

The next two years are quite uncertain, and customers' evolving demands and expectations are creating new opportunities for us. My recent conversations with clients certainly indicate that there is an urgency, not just about the latest technology, but more about leveraging technology-led domain solutions to deliver multi-fold impact:

- How can we save costs and help the business compete better?
- How do we enhance customer experience, increase brand loyalty and generate more revenue?
- How can we get better insights from HGS from the transactions we handle for them?

This new normal has new realities and demands new strategies. HGS is transforming to become a technology-led BPM player, led by a focus on performance, preparedness and future-proofing. We are reprioritizing our business models based upon these

CEO'S MESSAGE

new client expectations in the post-COVID world. We are making strategic interventions to build a stronger position for HGS in a competitive BPM market. These include investing in deeper client mining, changing pricing models, expanding our teams in technology and domain consulting, etc. One of the big learnings we had during the last few months was the need to be flexible and prepared. We have taken this business continuity lesson to set up a global Work@Home Centre of Excellence, to build a proactive, best-in-class solution for our clients. We are also investing in building a strong technology infrastructure, led by hybrid cloud architecture and applications.

As part of this transformation and market demand, we are investing in developing technology capabilities to provide digital customer experience solutions to our customers. The solutions will combine artificial intelligence and our decades' worth of experience to deliver domain specific digital experience services to our clients. We will leverage customer experience and engagement solutions with intelligent integration to the back office to deliver frictionless experiences over digital channels. Our area of focus will be to derive insights from customer touch points utilizing big data and analytics to identify consumer behavior patterns and personalize the experience in context of the consumer's journey. We will utilize predictive analytics that will recommend the next best action for both customer service and intelligent back office processing. We are in the process of adopting augmented / virtual reality capabilities to provide the best in class support for field agents. We are also investing in IoT integration and video analytics to address domain specific problems such as hazard detection, security monitoring, etc., which will require augmenting artificial intelligence with people to service customers at scale.

Overall in the next few years, we see ourselves becoming a Digital Customer Experience company with a core delivery capability that utilizes Augmented AI.

Our Annual Report Theme – Digitally Empowering Business. People. Technology

Looking ahead, we are ambitious about the impact we want to deliver to our clients, employees and

communities. As we stand at the cusp of the next decade, we are well-poised to tap into existing opportunities and create new ones that didn't exist before.

We believe that understanding the interplay of business, people and technology will be crucial for us to thrive in future. We can help brands reimagine their businesses in terms of creating differentiated products and services, personalized experiences and agile operations. We have the nuanced understanding of both – emerging technologies such as AI, analytics, cognitive automation, cloud, etc., and vertical-specific opportunities in the clinical and care management space. We have talent that spans a wide spectrum – be it data scientists, software engineers, social care agents or customer service associates, adept at working with bots. We also have hundreds of nurses, healthcare professionals and a few medical directors. As we combine these capabilities, the unified force will propel us forward in our transformation journey.

This is the true spirit of HGS 2.0 – bringing together business, people and technology in a perfect balance for the next phase of our growth and success.

Finally, I would like to thank all our stakeholders – the TeamHGS family, clients and our shareholders – for your continued support to HGS.

Yours sincerely,

Partha DeSarkar
Executive Director (Wholetime Director)
& Global Chief Executive Officer.
Hinduja Global Solutions

September 5, 2020

MANAGEMENT TEAM



Partha DeSarkar

Wholetime Executive Director
& Global CEO



Srinivas Palakodeti

Global Chief Financial Officer



S. Mahadevan

Executive Vice President - Legal,
Compliance and Company Secretary



Pushkar Misra

CEO & President, HGS Philippines



Ramesh Gopalan

President - Global Healthcare
and Head of India Business



Adam Foster

CEO, HGS Europe



B. N. Narasimha Murthy

President – North America and Jamaica
Operations & Shared Services



Subramanya C

Global Chief Technology Officer
and CEO, HGS MENA



Tim Schuh

President - Digital Strategy



Venkatesh Korla

President and CEO of HGS Digital



Thomas Hricik

President – Head of Business
Development, North America



Anthony Joseph

President - Global Human Resources



Natarajan Radhakrishnan

President and Global Chief
Innovation Officer



Shilpa Sinha Harsh

Sr. Vice President – Global Corporate
Communications, CSR and D&I

MANAGING THE COVID-19 RESPONSE: THE HGS WAY

The impact of COVID-19 has been as deeply felt at HGS as the rest of the world. Being a part of a high-touch, people-centric industry, social distancing measures that have been mandated in all our operating countries and the other effects of the global health crisis have disrupted the way we operate. However, our manner and speed of bouncing back into action was made possible with sustained collaboration by our people and clients, on a scale that we have never seen before at HGS. These efforts have gone on to reaffirm our core values – our people are showing great strength and living the HGS values in the face of adversity.

Here is an overview of the initiatives undertaken since March 2020 in response to COVID-19 at HGS worldwide.



Ensuring Business Continuity to Ops

Our first response was to address the shift in our operations to sustain delivering results to our clients. We initiated a Split Operations model globally – employees, whose roles allow for the option, have been working from home, while employees who are required to come into offices to support essential services have been doing so amid extensive safety precautions practiced at our sites. The entire process is in line with government guidelines – both national and local – across our geos. The shift to remote environments was undertaken with cross-functional and cross-geographic coordination – a majority of our BPM and Shared Services employees moved to working from home within a span of mere weeks!

Business Continuity and Technology-led Solutions for clients

Across HGS, our creativity and innovation have churned out best-suited business continuity and technology-enabled solutions to help lead client organizations from managing crisis through recovery. Right from a COVID CX Kit to help clients plan, produce and prioritize great customer experiences for a new normal, to our teams facilitating COVID-19 patient inquiries with front-end nurse triage, and leveraging our Work@Home solutions. We are also using technologies like automation and AI to not only help our associates manage call volumes more efficiently, but also to enable troubleshooting through self-service.

MANAGING THE COVID-19 RESPONSE: THE HGS WAY

Engaging Our People via technology, communication and support

While our people have always been at the heart of how we run our organization, their safety and wellness in these times have been the foremost priority in our response to the pandemic. For all employees worldwide, we have created virtual touchpoints at multiple levels, and established frequent communications to offer support where needed and keep morale high. We have also reinforced our communications on social platforms where HGS is present to engage, address concerns and sustain great experience for both employees and candidates. Much of our employee communications and engagement activities that were predominantly on-premises, have moved to virtual platforms and quite successfully so. These include adoption of digital alternatives – right from virtual training and learning, communication and employee engagement, client collaboration, and hiring and onboarding.

Our already established Employee Assistance Programs along with the new Doctor-On Demand program have been beneficial for people who may either be experiencing COVID-19 symptoms or stress related to the health crisis. At HGS India, where we offer childcare support for our working parents, we have been able to move engagement sessions for children virtually and initiate a monthly parenting discussion forum for the parents. At HGS Philippines, we created temporary stay-in-office accommodation with essential facilities for over 1,000 employees, in line with mandates by local health authorities.

Supporting the Community

HGS has continued to be hands-on with our support for the local communities where we operate. Keeping with the spirit of 'Work to Give', we have contributed to our communities both at an organizational level as well as individual levels.

a. Sharing expertise

HGS has leveraged its experience in contact center services and expertise in the healthcare domain to set up and support two helplines for the Government of Karnataka at our facilities in Bangalore, India. The COVID-19 telephone helpline for citizens of Karnataka has been set up to operate 24/7, supporting symptomatic reporting, information dissemination and grievance counseling to distressed citizens. A team of 70 HGS employee volunteers are manning this line in shifts.

Between mid-March 2020 and July 2020, our volunteers have clocked 14,000 hours responding to over 70,000 calls.

HGS has also been able to leverage its experience with nurse triage and advise services for healthcare clients in the US to support the Karnataka Department of Health and Family Welfare with the state telemedicine helpline, Apthamitra Sahayavani. This is a 12-hour critical helpline initiative manned by over 50 volunteer nurses and doctors, and HGS is using our delivery site and technology infrastructure in Bangalore (but not its clinical algorithms or content) with the aim to help our community in their fight against COVID-19. The system is proving to be very helpful to users by counselling them on general COVID-19 health queries, thereby reducing the rush at the state hospitals.

b. Medical Support

HGS India has monetarily contributed to PD Hinduja Hospitals in Mumbai in their efforts toward battling COVID-19 – creating isolation wards for COVID-19 patients, procurement of drugs, consumables and safety equipment, and additional operational costs that may arise. Similarly, HGS Canada has made donations to the Windsor Regional Hospital Foundation in Windsor to support their efforts in combating the pandemic.

c. Material Contribution

At HGS worldwide, employees and local sites have been actively involved in pandemic efforts. In Iloilo, Philippines, our people donated funds to the Uswag Community Kitchens, an initiative by the Iloilo City Government to provide meals to residents in need as well as front-liners like city health workers, medical teams, and transportation and sanitation teams. In Bangalore, India, we donated over 30,000 reusable face masks to the Bengaluru City Police who have been enforcing lockdown measures round-the-clock. HGS India also contributed to NASSCOM Foundation for the distribution of food and groceries to individuals who have suffered loss of livelihood across Bangalore, Chennai, Pune, Hyderabad, Delhi and the NCR region; In May 2020, we reached out to over 5,625 people across 1,125 households. In Windsor, Canada, our team contributed funds to the local community kitchens that are providing meals for citizens in need. Similarly, in Jacksonville, USA, our people organized a food drive, through which they contributed over 200 non-perishable packaged food items to residents of North-east Florida.

INDUSTRY RECOGNITION

At HGS, we have great stories to tell – be it the way we offer value and innovation to our clients every day or the proactive delivery support powered by our employees, which have been recognized by external organizations. In FY2020, HGS was honored with several awards and accolades, some of which are mentioned below:



2020 Training Top 125”
for the 2nd year in a row

Winner



Best Customer
Engagement Initiative

Winner



- Manager Of the Year
- Team Of The Year

Finalist



- CSR Project of the Year
- Best CSR Practice Award for the 2nd year in a row

Winner



- Highest New Jobs Creator
- Highest Growth In Women Employment

Winner



Leader in Global
Outsourcing 100®
10th Year in a row

Winner



Manager Of the Year
Team Of The Year

Finalist



Best Use of Data
& Insights -
Transformational
category

Winner



- Diversity Impact
- Best Workplace Practices
- Best Employee Relations Practices
- Best Use of Social Media

Winner

INDUSTRY RECOGNITION



India's First Ever
Hackathon for Recruiters
- TRAILBLAZERS

Winner



Unstoppable Women 2020

Winner



FOR WOMEN
IN BUSINESS

Women of the Year –
Business Services

Winner



Best Practices Award for
Social Media Consulting
and Brand Management
Customer Services
Leadership

Winner



Social Customer Service
Team Of The Year

Winner



Most Effective Customer
Experience in Social
Channels
Most Effective Management
of Peak Demand

Finalist



Complaints Management
Team Of The Year

Finalist



Best Social Media
Brand in the Home
& Living category

Silver

ANALYST RECOGNITION



- “Star Performer” In Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2019
- Star Performer” In Healthcare Payer PEAK Matrix® Assessment 2019
- “Major Contender” In Clinical and Care Management (CCM) BPS Services PEAK Matrix® Assessment 2019
- “Major Contender” In Revenue Cycle Management (RCM) Business Process Services PEAK Matrix® Assessment 2019
- “Major Contender” In Customer Experience (CX) Analytics Services PEAK Matrix® Assessment 2019
- Included in the BPS Top 50 2019 list – Mentioned as one of the top 4 providers in “Top Risers” category based on YoY movement



- “Leaders” In CX Services Retail & CPG NEAT 2019 - CX Improvement, Cost Optimization and Revenue Generation capability
- Advanced Analytics BPS NEAT 2019
 - “Leaders” In Healthcare and Retail & CPG NEAT
 - “Major Players” In Telecom, Travel Transport & Hospitality and Overall NEAT
- Cognitive CX Services 2020 NEAT
 - “High Achievers” In Cost Optimization Capability NEAT
 - “Major Players” In CX Improvement capability and Overall NEAT
 - “Innovators” In Revenue Generation category NEAT



Included in the:

- Top 10 CX Retail & CPG Service Providers 2019
- BPO Top 50 list
- Top 10 Digital Front Office: CX Design, Sales, and Marketing – “A CX thought leader with a flexible digital approach”



- The ISG Index™ Global Sourcing and As-a-Service Market Insights
 - “Booming 15 - Service & Technology Provider Standouts –EMEA” for Q4 FY 2019
 - “Booming 15 Sourcing standouts - Asia Pacific” for Q1 FY 2019



- Included in Now Tech: Insights-Driven Business Process Outsourcing, Q1 2020

DIGITALLY EMPOWERING BUSINESS. PEOPLE. TECHNOLOGY



WHAT OUR CLIENTS SAY ABOUT US

HGS takes pride in providing a superior and seamless customer experience to our clients globally. A good indicator of the value we provide is from their constructive feedback gained through customer dialogue. HGS received several messages from our clients appreciating our contribution to their success. Below is a sampling of them across geographies and verticals.

Communications Company in the US

As a communications company, the flexibility to work with us as plans change is critical. HGS listens to our needs and delivers with very little oversight needed. The team understands our business, the processes that we have defined, and the technical skillsets to overcome short term challenges.

Senior Director
Delivery - India



US-based Software Company

It is very easy to do business with HGS. The team is responsive, open to change, anxious to assist and increase knowledge.

AVP - Client Care
Delivery - Philippines



Leading Personal Care Company in Europe

HGS' team is very engaged and committed. They bring a constructive, solution-oriented mindset and a strong can-do attitude to our partnership.

Director
Delivery - UK



Leading Healthcare Company

HGS has done a nice job growing with us, by moving quickly and looking for additional areas to support us and our clients. The team understands our industry well, has strong client management skills while being agile and flexible to our changing needs and growth.

Sr. VP - Technology Enabled Services
Delivery - India



US Fortune 100 Healthcare Insurance Company

HGS is an excellent business partner and extremely great at collaboration. Any time we create a new product, change something or need anything, the team is willing to step in with its support.

Associate Director
Delivery - India



Top FMCG Company in the US

HGS does a phenomenal job of being a Subject Matter Expert in the client services area while always providing superior world class customer service to our customers.

Consumer Relations Planning Manager
Delivery - US



Global Consumer Electronics Company

The HGS team is agile and responsive to our needs. Calling out their professionalism and client-centricity...

Manager
Delivery - Jamaica



Leading Telecommunications Company in Canada

The culture and leadership at HGS creates an environment where agents are supported in meeting their targets. Hence, there is great strategic execution of change and achieving the goals we set for them.

Manager - Call Centre Operations
Delivery - Canada



WHAT OUR CLIENTS SAY ABOUT US

Top Automotive etailer Company in the US

Our partnership has always been strong... We work together, push on each other when it's appropriate and generally respect each other. HGS has been great at accommodating our requests, delivering what we ask for and has created more value for us. Great NPS, great quality team!

Customer Success Manager
Delivery - US



Leading CPG Company in the US

HGS shows strong performance and is proactive in addressing any opportunities. The team is collaborative, forward-thinking, and closely aligned with our overall business strategy. Strong Next-Generation team with great cross-sell results. Have to add that they have a very thorough BCP plan and were proactive in planning for the unknown i.e., Coronavirus...

Senior Manager - Consumer Marketing
Delivery - US



Leading Automotive Company

HGS manages a high-quality program for us... They are very proactive and responsive to ensure we build on our relationship. We made some adjustments in March due to the pandemic, and the team was very responsive and flexible to our needs and made a seamless transition. Work from home is a strength at HGS!

Senior Director - Operations
Delivery - US



Fortune 100 Healthcare Payer

Thank you for your ongoing efforts to serve our members and providers during the global Coronavirus pandemic. Even during a time when our resources were stretched thin and there is uncertainty about what's coming next, the team has shown up for our customers in incredible ways. It has not been easy to navigate the "new normal" personally or professionally. As cities have closed, and we have quickly transitioned to working from home, you could have lost focus and passion, but instead you have worked even harder to get our customers the answers and information they need.

Sr. Vice President

Delivery - India, Philippines, Jamaica and US



Leading US Fast-food Company

We have had a very strong partnership through the years. During the pandemic crisis, our contact volume is evolving and the needs of the Brand continues to change... The team did a great job with keeping team members through this crisis engaged and ensuring our program remained fully-staffed to meet our business needs. I appreciate the flexibility the team has shown to adjust to meet service levels. Amazing setting up of WFH agents in a very short time!

Manager - Customer Experience
Delivery - Philippines and US



Top Healthcare Provider

These are truly challenging times, and we appreciate the partnership and all the efforts of the team to get us through it. We rely on you to provide a fair and accurate account of status and what is possible, so we can communicate efficiently to our clients.

Director
Delivery - India



Leading BFS Company

I would like to highlight how impressed I am by the commitment and dedication all HGS teams I am working with are showing in these very special and challenging times. It's times like these where true partnerships are not only critical, but also coming to full light. I highly appreciate the partnership with HGS as we navigate through this. We are better together, for sure!

Director
Delivery - Philippines and US



OUR COMMUNITY INITIATIVES

At HGS, Corporate Social Responsibility (CSR) is rooted in the passion of our group founder, Shri Parmanand Deepchand Hinduja. Drawing on his belief, our CSR philosophy is Work to Give for a Better Tomorrow. The focus of our social outreach ranges across areas of education, healthcare, skill development, persons with disabilities, including our employee volunteering program, Work To Give. Here is a glimpse of our initiatives in support of our communities worldwide.

EMPLOYEE VOLUNTEERING

The Work To Give employee volunteering program at HGS has enabled our employees to extend their time and skills to deepen our reach and enrich our engagement with all the communities in which we operate. We support over 25 Non-Government Organization (NGO) partners globally through this initiative. When the resources available are scarce or the necessary skills are within the capabilities of the NGO, our employees bridge the gap by volunteering their time and effort. Volunteers also take the initiative to identify social projects, independent of any NGO association.

In FY2020, the Work To Give program engaged 35% of HGS' total workforce in volunteering through over 350 events. Over 14,500 employee volunteers have participated, contributing more than 55,500 hours of effort to support various social causes across all geographies.



EDUCATION

HGS has undertaken several projects to ensure health and nutrition of children, and promote holistic education through technology-facilitated learning. These initiatives enabled us to reach over 22,000 children across five states in India in FY2020. Over the year, we have partnered with: The Akshaya Patra Foundation to serve 10,000 mid-day meals every day at government schools; Magic Bus India Foundation on the Childhood to Livelihood program to inspire positive behavioural changes and enable preparedness for future employment opportunities; Plan India (International) to provide school facilities and remedial education at six model schools across Mumbai and Pune; and with YUVA Unstoppable providing Smart Class technology to over 16 government schools in Indore and Chennai.



OUR COMMUNITY INITIATIVES

PERSONS WITH DISABILITY

Our programs under this focus area aim to enable a life of economic independence and dignity for people with disability. HGS along with NASSCOM Foundation has set up capacity centers to train persons with disabilities on skills required to gain employment. We have empowered over 300 persons with disabilities, so far.



HEALTHCARE

Projects undertaken in this focus area are driven by a vision of providing quality healthcare access to all. HGS, in association with Hinduja Hospital, enables an Advanced Mobile Healthcare Unit to reach people in remote tribal areas of Jawhar, Maharashtra and provide them with superior essential healthcare, free of cost. So far, over 50,000 people have been treated. In association with Hinduja Hospital, HGS has also undertaken an initiative to diagnose and cure patients with multidrug-resistant tuberculosis, who are unable to afford the treatment. Through this initiative, we have enabled the recovery of over 150 patients.



VIRTUAL VOLUNTEERING: HOW HGS IS VOLUNTEERING DURING COVID-19

Our volunteers from across India have been continuing to support the beneficiaries of our NGO partners during the pandemic, even amidst the lockdown and working remotely. We have initiated several remote volunteering opportunities across our focus areas of education and skilling that have enabled our employees to contribute from the safety of their homes. The channels of communication for these activities have been telephonic conversations, audio recordings and document creation. Between April 2020 – June 2020, over 2,000 employees have volunteered.



OUR COMMUNITY INITIATIVES

Here's a glimpse of our CSR activities from around the geographies we operate in.



ENGAGING OUR EMPLOYEES

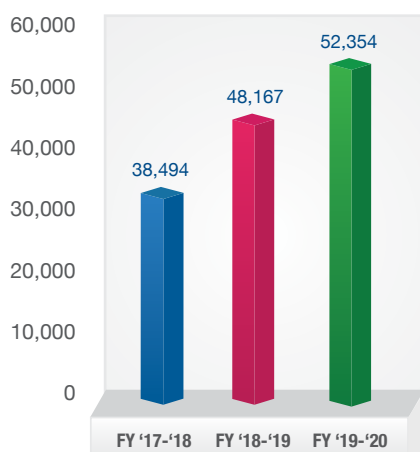
At HGS, we have always prided ourselves on how motivated our people are both at work and outside of it. Our diverse and global workforce is a highly energetic bunch, and many of our engagement activities, training and work prove that. Here's a glimpse of the fun activities our teams have put together in the year gone by.



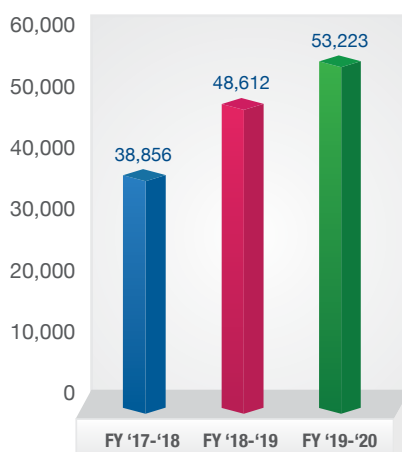


FINANCIAL & GENERAL HIGHLIGHTS

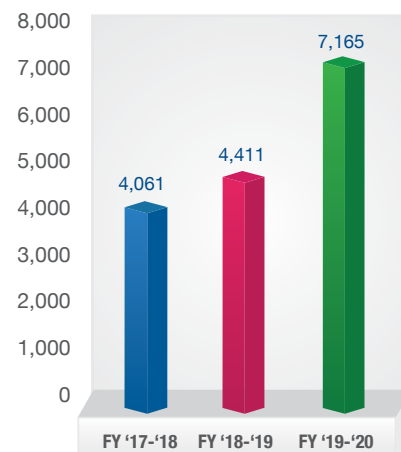
■ FY'17-'18 ■ FY'18-'19 ■ FY '19-'20



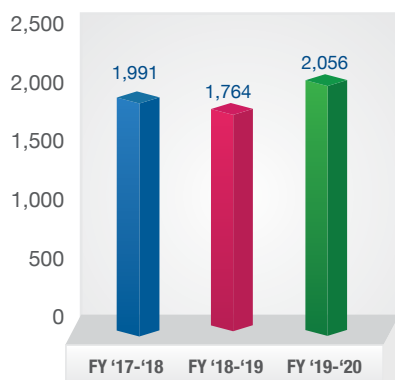
Operating Revenue (₹ million)



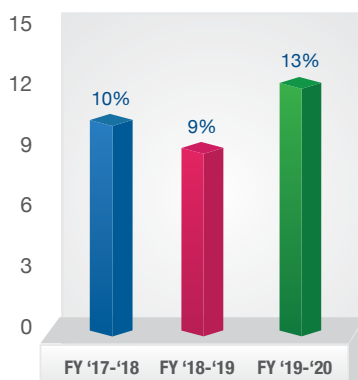
Total Revenue (₹ million)



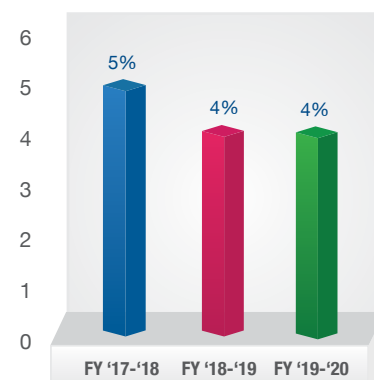
EBITDA (₹ million)



PAT (₹ million)



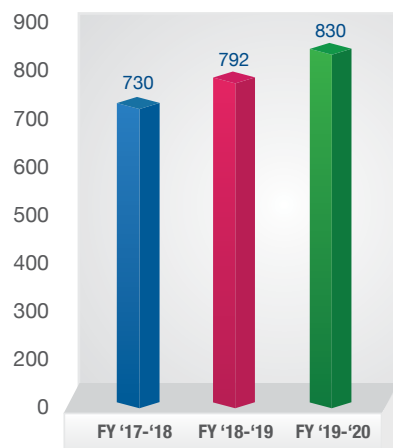
Operating Profit/Total Revenue



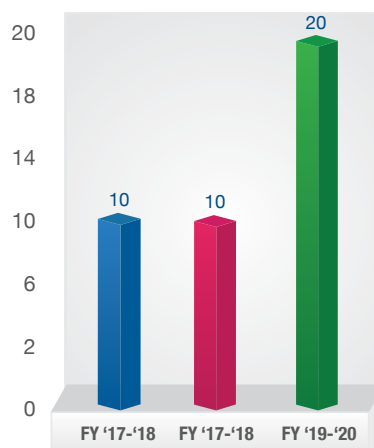
PAT/Total Revenue



Basic EPS (in ₹)



Book value per share (in ₹)



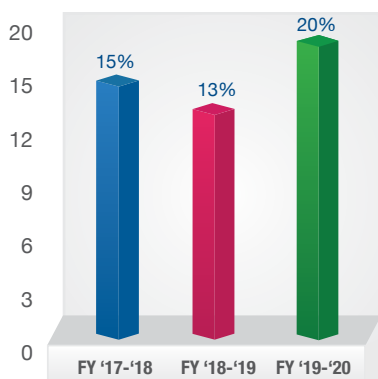
Dividend per share (in ₹)

FINANCIAL & GENERAL HIGHLIGHTS

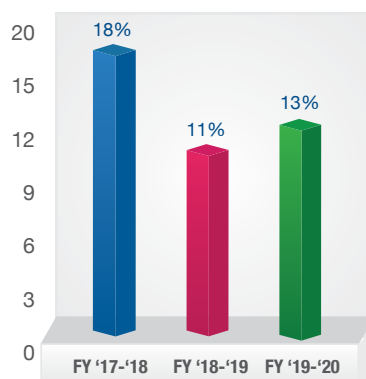
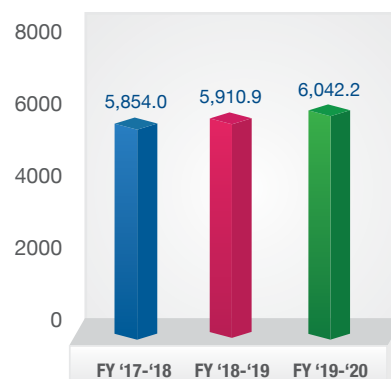
FY'17-'18

FY'18-'19

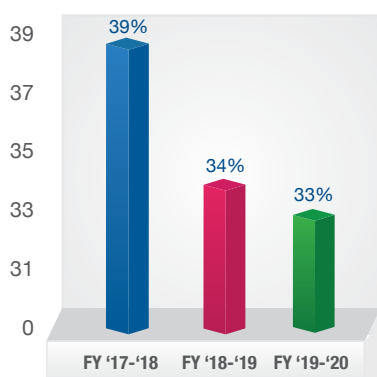
FY '19-'20



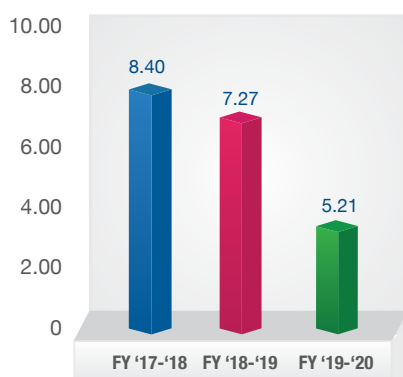
ROCE (PBIT/Av. Capital Employed)

Cash and Bank Balances/
Total Assets

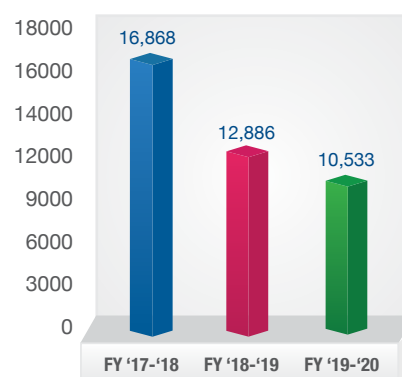
Total Gross Debt (₹ million)



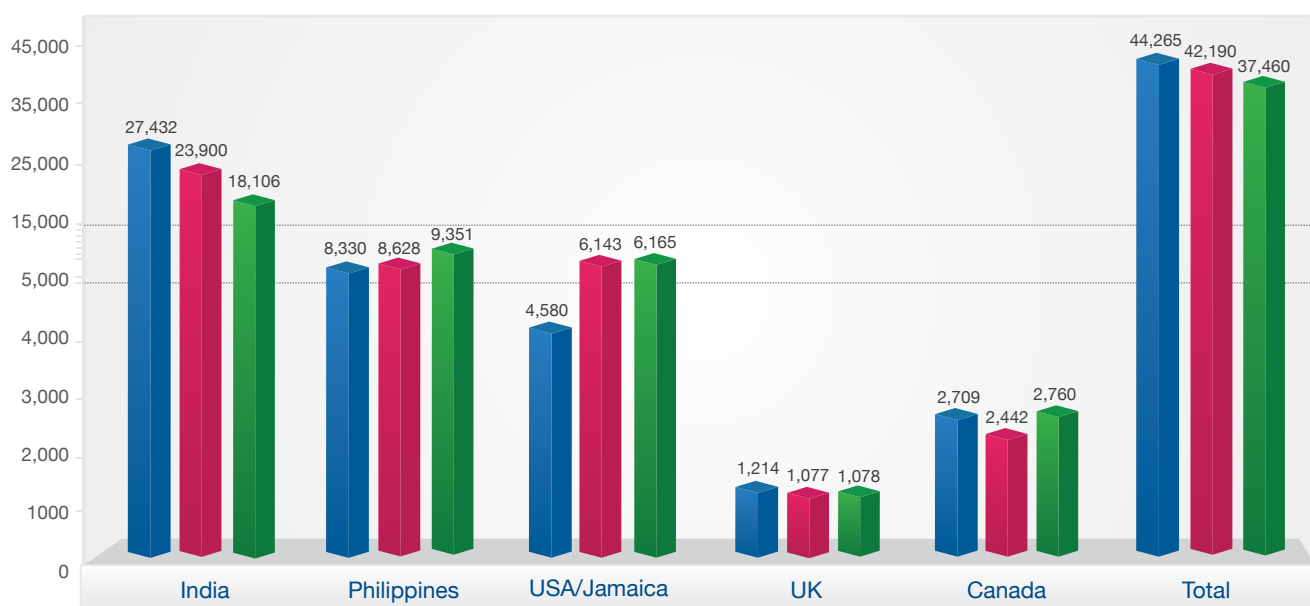
Capital/Output Ratio



Year end Price/Earnings Ratio



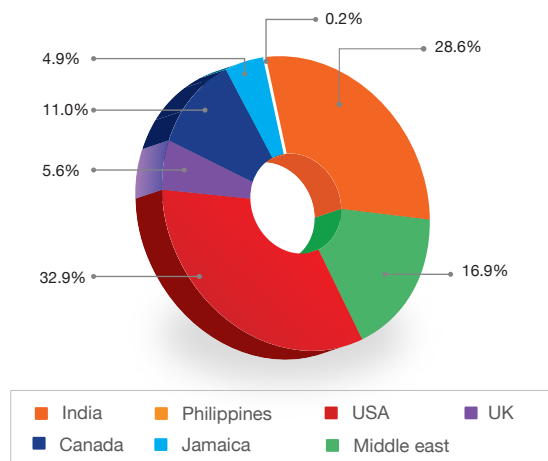
Market Capitalisation (₹ million)



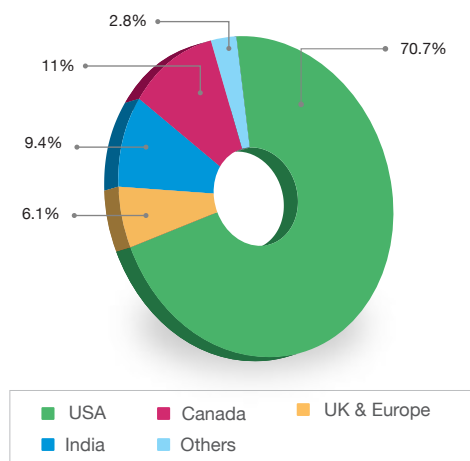
Headcount - by Geography

FINANCIAL & GENERAL HIGHLIGHTS

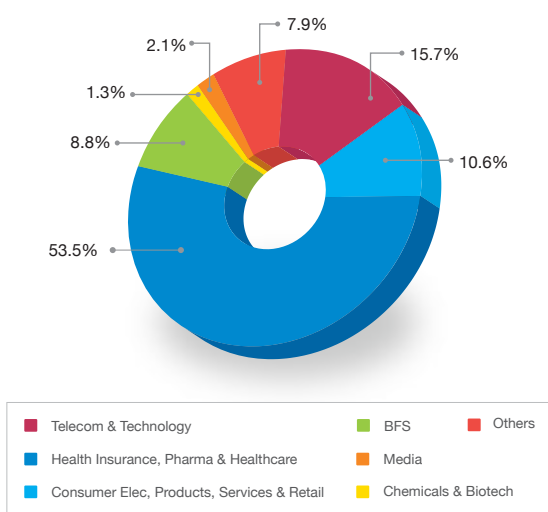
Revenue Split - by Delivery Location (FY 20)



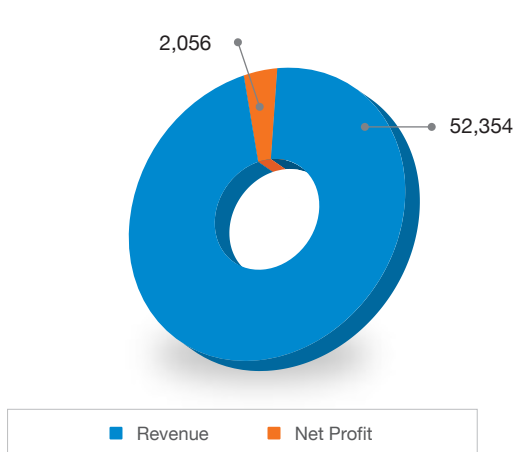
Revenue by Origination (FY 20)



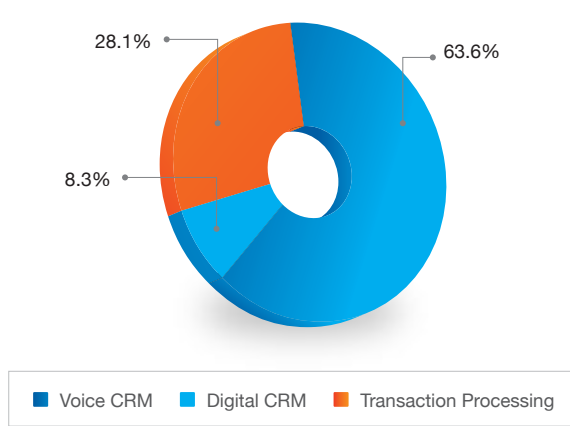
Revenue Split - by Vertical (FY 20)



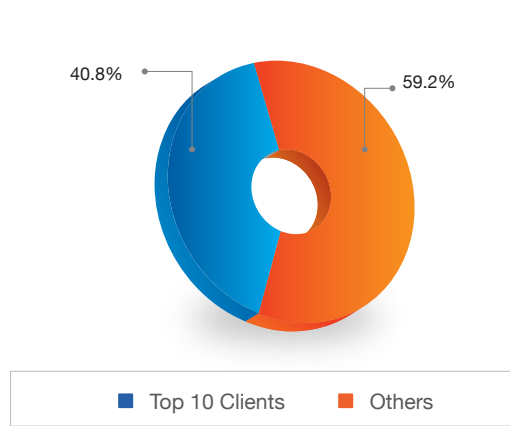
Revenue & Net Profit (FY 20, INR Million)



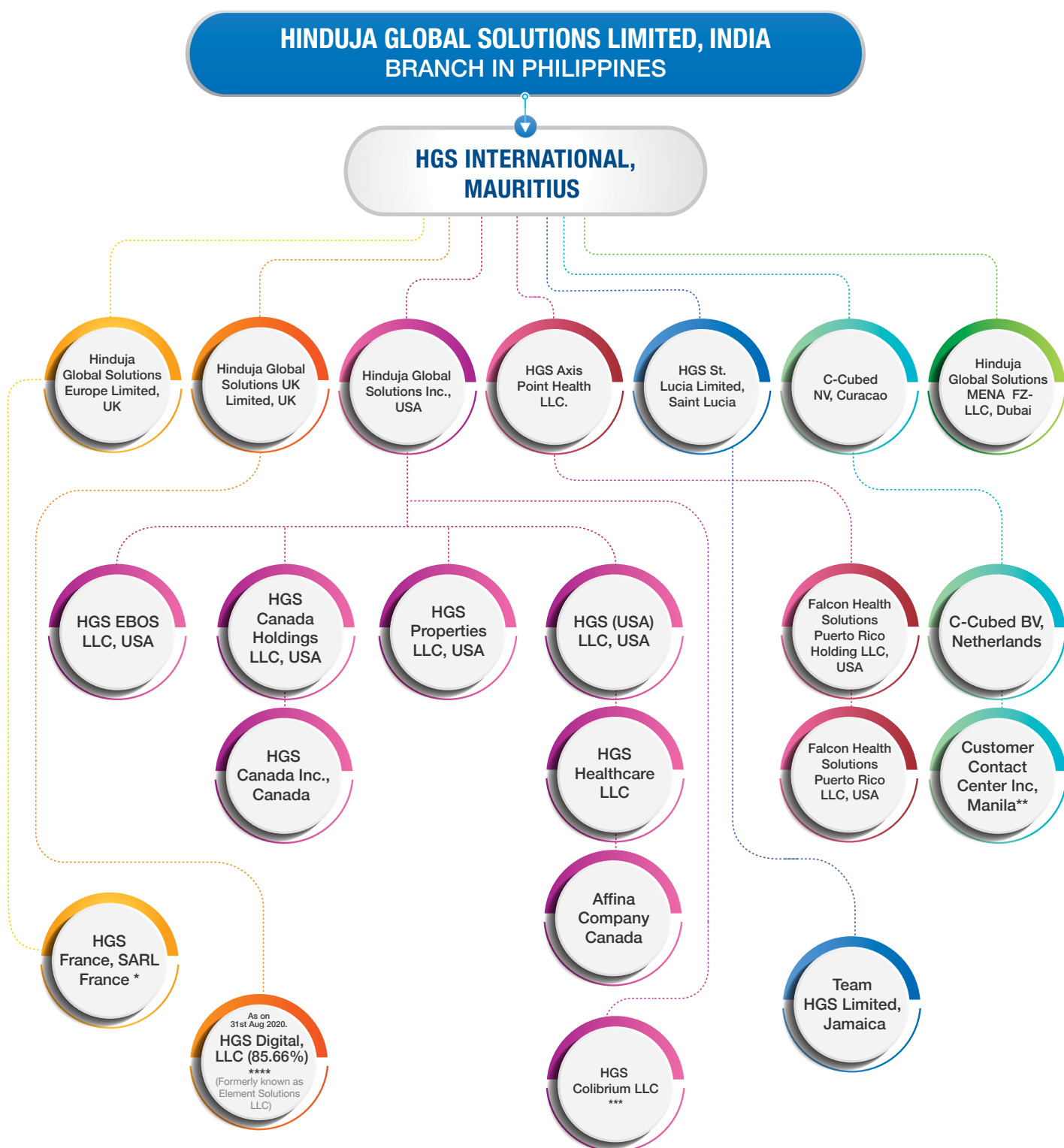
Channel Mix (FY 20)



Client Concentration (FY 20)



HOLDING STRUCTURE



Notes:

* Under liquidation.

** Liquidated effective April 3, 2018 (While these are officially liquidated, the repatriation of funds are not yet complete and hence these are still part of the consolidated financial statements).

*** During the year, HGS International Mauritius, (a wholly owned subsidiary of Hinduja Global Solutions Limited) which held , 95.2% equity interest in "HGS Colibrium Inc., USA" acquired an additional equity interest of 4.8% in "HGS Colibrium Inc., USA". Consequently, the shareholding of the HGS International, Mauritius in HGS Colibrium Inc., has increased to 100%.. Further, HGS Colibrium Inc. has converted itself to HGS Colibrium LLC and effective March 31, 2020, post reorganization, HGS Colibrium LLC has become a subsidiary of "Hinduja Global Solutions Inc, USA (a wholly owned subsidiary of HGS International, Mauritius).

**** Pursuant to the Membership Interest Agreement dated March 29, 2018, during FY 2020, an additional equity stake of 14.33% was acquired Further, in August 2020 another equity stake of 14.33% was acquired bringing the total stake in HGS Digital LLC to 85.66%.

GENERAL INFORMATION

HINDUJA GLOBAL SOLUTIONS LIMITED

Chairman Emeritus

Ashok P. Hinduja

Board of Directors

Yashodhan Madhusudan Kale - Chairman
(Non-Executive Director)
Anil Harish, Independent Director
Sudhanshu Tripathi, Non-Executive Director
Bhumika Batra, Independent Director
Ganesh Natarajan, Independent Director
Partha DeSarkar, Executive Director (Whole-time Director)

Audit Committee

Anil Harish - Chairman
Yashodhan Madhusudan Kale
Bhumika Batra
Ganesh Natarajan

Stakeholders Relationship and Share Allotment Committee

Bhumika Batra - Chairperson
Sudhanshu Tripathi
Ganesh Natarajan
Partha DeSarkar

Nomination and Remuneration Committee

Anil Harish - Chairman
Yashodhan Madhusudan Kale
Sudhanshu Tripathi
Bhumika Batra

Corporate Social Responsibility Committee

Anil Harish - Chairman
Sudhanshu Tripathi
Partha DeSarkar

Committee of Directors

Yashodhan Madhusudan Kale – Chairman
Sudhanshu Tripathi
Bhumika Batra
Partha DeSarkar

Internal Audit & Systems

India Operations - Rakesh S. Jain, AVP, Internal Audit
Philippines, USA, Canada, UK and Jamaica - Ernst & Young LLP

Key Managerial Personnel

Partha DeSarkar, Executive Director (Whole-time Director)
Srinivas Palakodeti, Global CFO
S. Mahadevan, EVP - Legal,
Compliance and Company Secretary

Bankers

AXIS Bank Limited
Bank of America
Bank of Baroda
Bank of Saint Lucia International Limited.
Barclays Bank PLC
Canadian Imperial Bank of Commerce
Canara Bank
Central Bank of India
China Trust Commercial Bank Corporation
Citi Bank
DCB Bank Limited
HDFC Bank Limited
Hinduja Bank (Switzerland) Ltd
HSBC Bank (Mauritius) Limited
ICICI Bank Limited
IndusInd Bank Limited
ING Bank France SA
International Exchange Bank
JP Morgan Chase Bank N.A.
LaSalle Bank
Fifth Third Bank
Metrobank
National Commercial Bank Jamaica Limited
Pacific Continental Corporation
Standard Chartered Bank
State Bank of India
SBM Group, Mauritius
Union Bank of Philippines
Wells Fargo
Yes Bank Limited

Auditors

Deloitte Haskins & Sells, LLP
Chartered Accountants

Registered Office

Hinduja House, 171, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.
Tel: (91 22) 2496 0707
Website: www.teamhgs.com
CIN: L92199MH1995PLC084610

Registrar & Share Transfer Agent

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited),
Selenium Building, Tower-B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad -500032
Telangana, India.
Tel: (91 40) 6716 1525 / (91 40) 6716 1511
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

CONSOLIDATED BALANCE SHEET

(All amounts are in USD 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
ASSETS		
Non-current assets		
a) Property, plant and equipment	70,601	85,607
b) Right to use asset	103,466	-
c) Capital work-in-progress	641	705
d) Other intangible assets	10,843	15,034
e) Goodwill	45,004	48,426
f) Financial Assets		
(i) Investments	634	607
(ii) Loans	-	12,250
(ii) Other financial assets	8,099	9,757
g) Deferred tax assets (net)	13,900	6,038
h) Income tax assets (net)	10,975	8,861
i) Other non-current assets	3,658	7,645
Total non-current assets	267,821	194,930
Current assets		
a) Financial Assets		
(i) Investments	735	1,490
(ii) Trade receivables	131,267	168,332
(iii) Cash and cash equivalents	70,431	46,657
(iv) Bank balances other than (ii) above	545	600
(v) Loans	57,362	-
(vi) Other financial assets	2,183	4,016
b) Other Current assets	9,910	12,453
Total current assets	272,433	233,548
Total assets	540,254	428,478
EQUITY AND LIABILITIES		
Equity		
a) Equity share capital	2,769	3,007
b) Other equity	225,377	234,226
Equity attributable to the equity holders of the Company	228,146	237,233
c) Non-controlling interest	1,640	1,094
Total Equity	229,786	238,327
Non-current liabilities		
a) Financial Liabilities		
(i) Borrowings	40,068	53,433
(ii) Lease liability	96,745	1,221
(iii) Other financial liabilities	7,076	4,130
b) Provisions	17,658	10,906
c) Deferred tax liabilities (net)	3,593	2,009
d) Other non-current liabilities	202	1,109
Total non-current liabilities	165,342	72,808
Current liabilities		
a) Financial Liabilities		
(i) Borrowings	26,136	23,138
(ii) Lease liability	15,249	383
(iii) Trade payables	37,384	34,821
(iv) Other financial liabilities	44,770	37,912
b) Provisions	7,664	7,621
c) Current Tax Liabilities (Net)	3,998	1,597
d) Other current liabilities	9,925	11,871
Total current liabilities	145,126	117,343
Total liabilities	310,468	190,151
Total equity and liabilities	540,254	428,478

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are in USD 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	701,864	639,605
II Other income	8,042	6,229
III Total income (I+II)	709,906	645,834
IV Expenses		
a) Employee benefit expenses	468,407	431,706
b) Finance costs	13,265	5,696
c) Depreciation and amortization expenses	40,993	25,523
d) Other Expenses	139,606	148,078
Total expenses	662,271	611,003
Profit before exceptional items and tax	47,635	34,831
V Exceptional items	2,973	-
VI Profit before tax	44,662	34,831
VII Tax expense		
a) Current tax	17,712	10,002
b) Deferred tax	1,172	(76)
c) Tax relating to prior years	(128)	184
Total tax expense	18,756	10,110
VIII Profit for the period from continuing operations	25,906	24,721
Discontinued Operations		
b) Profit before tax from discontinued operations	4,489	673
c) Tax expense of discontinued operations	1,453	156
IX Profit after tax from discontinued operations [(a)-(b)]	3,036	517
X Profit for the period	28,942	25,238
XI Other comprehensive income		
A. Items that will not be reclassified to profit or loss		
a) Remeasurements of defined benefit plans		
- Continuing Operations	(1,241)	(3,688)
- Discontinued operations	(52)	(8)
b) Income tax on above item	296	416
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)	(997)	(3,280)
B. Items that may be reclassified to profit or loss		
a) Effective Portion of designated portion of hedging instruments in a cash flow hedge	(11,948)	2,123
b) Income tax on above item	4,237	(547)
b) Net change in fair value of hedges of net investment in foreign operations	(1,713)	284
c) Exchange differences in translating the financial statements of foreign operation	11,256	3,660
d) Income tax on above item	(1,590)	(637)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)	242	4,883
XII Total other comprehensive income for the year, net of tax [A + B]	(755)	1,603
XIII Total comprehensive income for the year (both continuing and discontinued operations)	28,187	26,841

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in USD 000's)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Net cash inflow from operating activities	124,390	24,389
<u>Cash Flow from investing activities:</u>		
Payments/ Proceeds from Property, Plant and Equipment	(15,864)	(26,623)
Payment for acquisition of business	(1,626)	(16,810)
Loans given	(47,856)	-
others	6,862	8,569
B. Net cash outflow from investing activities	(58,484)	(34,864)
<u>Cash Flow from financing activities:</u>		
Proceeds from issues of shares	149	304
Repayment of borrowings	(4,222)	(2,498)
Others	(37,909)	(9,637)
C. Net cash outflow from financing activities	(41,982)	(11,831)
D. Net increase/ decrease in Cash and Cash Equivalents (A+B+C)	23,924	(22,306)

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present their Report on the business and operations of your Company along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2020.

Financial Results

(₹ in million* except per share data)

	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Income				
Revenue from Operations	23,814	21,964	52,257	47,855
Other Operating Income	97	-	97	312
Other Income	1,159	427	869	445
Total Income	25,070	22,391	53,223	48,612
Expenses				
Operating Expenses	18,849	18,337	45,189	43,756
Finance cost	667	116	1,031	406
Depreciation and amortisation expense	2,154	972	3,300	1,968
Total expenses	21,670	19,425	49,520	46,130
Profit before exceptional items and tax	3,400	2,966	3,703	2,482
Exceptional items	-	-	211	-
Profit Before Tax and after exceptional items	3,400	2,966	3,492	2,482
Income Tax expense	882	661	1,436	718
Profit for the period	2,518	2,305	2,056	1,764
Less: Non-controlling interest	-	-	(37)	8
Add: Balance brought forward from Previous Year	10,448	8,394	8,223	71,14
Add/(Less): Adjustments and appropriation				
Adjustments during the year	(586)	-	(651)	(412)
Dividends	(469)	(208)	(469)	(208)
Dividend Distribution Tax	(96)	(43)	(96)	(43)
Balance Carried Forward	11,815	10,448	9,026	8,223
Earning per equity share [nominal value per share Rs.10/- each]				
(a) Basic (for the period – not annualised)	120.72	110.68	96.85	85.08
(b) Diluted (for the period – not annualised)	120.66	110.52	96.79	84.96

*(1 million = ₹ 10 lakhs)

The Standalone and Consolidated Financial Statements for the year ended March 31, 2020, have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and Companies (Indian Accounting Standards) Amendment Rules, 2016, as prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

The financials for the year under review are not comparable with the reported financials of the previous year due to following reasons:

- On November 28, 2019, your Company entered into a definitive agreement, for sale of its India Domestic Customer Relationship Management (CRM) Business, with Altruist Technologies Private Limited. The transaction has been concluded on January 31, 2020.
- Your Company adopted the Indian Accounting Standard 116 on Leases (Ind AS 116) notified by the Ministry of Corporate Affairs, with the date of initial application being April 1, 2019. Ind AS 116 replacing the earlier lease standard Indian Accounting Standard 17 on Leases (Ind AS 17) and related interpretation and guidance.
- Your Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

Operating Performance

On a Consolidated basis, your Company registered a strong performance during the financial year ended March 31, 2020. Compared to the previous financial year, revenues from Operations and Other Operating Income increased by 8.7% from ₹ 48,167 million to ₹ 52,354 million. Of the growth over FY 2019, 1.9% is on account of exchange variations. While the organic growth was 9.5%, the reported growth is lower on account of the sale of the India Domestic business in January 2020 and the sale of the contracts relating to the GuidePoint business in December 2018. The Company saw strong growth in revenues across all verticals, especially healthcare, and telecom & technology.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) excluding Other Income grew 62.4% from ₹ 4,411 million to ₹ 7,165 million. This growth in EBITDA was partly due to adoption of Ind AS 116 of ₹ 1,788 million, improvement in performance of healthcare business, improvement of the business in Canada and improvement in the performance of the India Domestic CRM business during the period April 2019 to January 2020.

Other Income during FY 2020 rose by 95.3% from ₹ 445 million to ₹ 869 million. This increase is on account of foreign exchange variations, increase in interest on treasury surplus and income from sale of SEIS scrips.

PAT (Profit after Tax) for FY 2020 increased from ₹ 1,764 million to ₹ 2,056 million, an increase of 16.6%. This increase is despite a rise in depreciation and interest on adoption of Ind AS 116. The increase in depreciation is also due to accelerated depreciation of assets of some of the delivery sites/ centres which were closed due to adverse business conditions. Exceptional items of ₹ 211 million are due to impairment of goodwill and intangibles (customer relationships) of HGS Axis Point Health LLC.

Standalone financials comprise the financials of the Company in India and its branch in Philippines. On a Standalone basis, revenues from Operations in FY 2020 grew by 8.9% from ₹ 21,964 million to ₹ 23,911 million. This revenue growth has to be seen in the context of the sale of India Domestic CRM business in January 2020.

Increase in 'Other Income' was on account of foreign exchange variations, increase in interest on treasury surplus and loans given and income from sale of SEIS scrips.

EBITDA for FY 2020 increased by 39.6% from ₹ 3,627 million to ₹ 5,062 million. This increase is partly on account of adoption of Ind AS 116 (Rs 1,402 million) and improved performance of India and Philippines.

PAT in FY 2020 grew by 9.2% from ₹ 2,305 million to ₹ 2,517 million, despite increase in depreciation and interest due to adoption of Ind AS 116.

A review of the Financial and Operating Performance of your Company and its key subsidiaries have been given in the 'Management Discussion and Analysis' section, which forms part of this Report as **Annexure 'E'**.

Other financial highlights:

- Cash flow from operations and after working capital changes: ₹ 8,886 million in FY 2020 as compared to ₹ 1,705 million in FY 2019, an increase of 421.3%;
- CAPEX: ₹ 1,176 million in FY 2020 as compared to ₹ 1,940 million in FY 2019;
- Gross Debt (exclusive of finance lease liability) of ₹ 6,042 million as at March 31, 2020 as compared to ₹ 5,911 million as at March 31, 2019, i.e., an increase of ₹ 131 million during the year;
- Net Worth: ₹ 17,318 million as at March 31, 2020 as compared to ₹ 16,512 million as at March 31, 2019, an increase of 4.9%.

Revenue Summary:

- Revenue by Origination Geography – US 70.8%, Canada 11.0%; UK & Europe: 6.1%, India: 9.3% and others 2.8%.
- Revenue by Verticals – Healthcare: 53.5%; Telecom and Technology: 15.7%; Consumer: 10.6%; Banking and Financial Services: 8.8% and Others: 11.4%.

Business Highlights:

- Client Wins: 59 new clients overall
- Active Clients: 221 core BPM clients and 686 Payroll processing, HRO and F&A clients
- Delivery Centres: 61 global delivery centres across seven countries at the end of the FY 2020
- Employee Headcount: 37,460 as on March 31, 2020; of which India: 48.3%, Philippines: 25.0%, USA: 9.6%, Canada: 7.4%, Jamaica: 6.9% and UK: 2.9%.

Sale of India Domestic Business

On November 28, 2019, your Company entered into a definitive agreement, for sale of its India domestic Customer Relationship Management ("CRM") business, with Altruist Technologies Private Limited. The business, which was operated as a division of your Company, has been sold under a slump sale for a consideration of INR 400 million. Your Company has completed this sale transaction on January 31, 2020.

The sale of the India Domestic CRM Business resulted in reduction of 9 delivery centres, around 7,000 employees and 32 clients.

Dividend

Three Interim Dividends aggregating to ₹ 20/- per equity share of ₹ 10/- each for the financial year 2019-20 were declared by the Board of Directors on August 5, 2019,

November 11, 2019 and February 7, 2020, and have been duly paid. The Board of Directors did not recommend a final dividend. Thus, the total dividend for the financial year ended March 31, 2020 remains ₹ 20/- per equity share (200% on face value of ₹ 10/- each).

Business Review

Today's business environment and landscape are being transformed by many technological changes and consumer behavior trends. The cumulative effects of these changes are creating a systemic impact on the market place, giving consumers more choices and options. Businesses are constantly looking to identify the right emerging trends and the attendant solutions, so that they can differentiate from the competition.

To compete better in the market place, many firms are adopting and positioning their businesses, based on their own customer experiences and feedback. They are changing the way their business functions and leaning towards value-driven and technology-led outsourcing model, and are looking towards the Business Process Management (BPM) services firms to help them generate value. From a vendor perspective, BPM companies are investing in technology-led solutions to offer new service offerings, business models and alternate delivery channels.

The global BPM spending between 2017-2022 will see a CAGR of 5.1% to reach \$206.7 billion in 2022, according to Gartner. Traditional BPO services led by voice will continue to dominate; however, BPaaS is growing significantly and will likely account for 30% of the spend in 2022. The Indian BPM industry continues to show steady growth, and is estimated to have grown by 8.2% to reach US\$38 billion in revenue in FY2020, accounting for ~38% of global BPM sourcing.

Detailed information pertaining/relating to Business Review has been provided in the 'Management Discussion and Analysis' section, which forms part of this Report as **Annexure 'E'**.

Key Subsidiaries

HGS International, Mauritius, a wholly-owned subsidiary of your Company, is primarily engaged in investment activity. HGS International owns 100% of the share capital of Hinduja Global Solutions Inc., USA, C-Cubed N.V., Curacao, Hinduja Global Solutions Europe Ltd., UK, HGS St. Lucia Ltd., Saint Lucia and Hinduja Global Solutions MENA FZ- LLC, Dubai. HGS International, jointly with Hinduja Global Solutions UK Limited, owns 100% of the share capital of HGS AxisPoint Health LLC.

HGS International holds 76% of share capital of Hinduja Global Solutions UK Ltd while the balance 24% is held by Hinduja Global Solutions Europe Ltd., UK.

Revenue for FY 2020 was US\$ 1.4 million as compared

to US\$ 1.6 million for FY 2019.

Hinduja Global Solutions Inc., USA (HGS Inc.), HGS Inc., a wholly-owned subsidiary of HGS International, Mauritius, specializes in marketing and providing of both voice and non-voice related Customer Contact and Business Process Outsourcing services to its clientele. It's wholly-owned subsidiaries are HGS (USA) LLC, HGS Canada Inc., HGS Healthcare LLC, HGS Colibrium LLC and HGS EBOS LLC.

The Consolidated Revenue was US\$ 573.3 million for FY 2020 as compared to US\$ 506.7 million in FY 2019.

HGS (USA), LLC, a wholly-owned subsidiary of HGS Inc., USA, operates in four cities in the US. It partners with Fortune 1,000 companies and Government agencies to provide comprehensive Customer Relationship Management programs in the verticals of consumer goods and services, e-commerce, telecom, media and travel and logistics. HGS (USA), LLC also sub contracts work to HGS India, its branch in the Philippines and to Jamaica.

For FY 2020, it recorded revenues of US\$127.3 million as against revenue of US\$ 104.7 million in FY 2019.

HGS Healthcare, LLC, is a wholly-owned subsidiary of HGS (USA), LLC, and renders business process management services to healthcare clients, primarily in the Payer Segment. HGS Healthcare renders services from three cities in the US as well as sub contracts work to HGS India, its branch in Philippines and to Jamaica.

For FY 2020, it recorded revenue of US\$ 316.3 million as compared to US\$ 272.6 million in FY 2019.

HGS EBOS, LLC, is a wholly-owned subsidiary of HGS Inc., and renders business process management services to healthcare clients, primarily in the Provider Segment. HGS EBOS renders services in USA as well as sub contracts work to HGS India, its branch in Philippines and Jamaica.

For FY 2020, it recorded revenues of US\$ 45.8 million as compared to US\$ 48.4 million in FY 2019.

HGS Colibrium LLC (earlier HGS Colibrium Inc), is a wholly owned subsidiary of HGS Inc., and renders platform-based services to help health insurance companies enroll customers. It also offers healthcare related technology support services to HGS Healthcare LLC, HGS EBOS LLC and their clients.

For FY 2020, HGS Colibrium LLC recorded revenues of US\$ 5.1 million as compared to US\$ 3.8 million in FY 2019.

HGS Canada Inc., a wholly-owned subsidiary of HGS Inc., USA, is a Canadian Contact Center service provider servicing marquee customers across verticals such as Media, Telecom, Technology and Logistics. HGS Canada offers technical support, inbound and outbound sales,

customer care and customer retention in English and French languages.

For FY 2020, it recorded revenue of CAD 107.7 million as compared to revenue of CAD 105.7 million in FY 2019.

Hinduja Global Solutions Europe Ltd. is the UK-based wholly owned subsidiary of HGS International, Mauritius, focusing on providing consulting services for BPM, call center services and offshoring services to UK-based clients. It owns 24% stake in Hinduja Global Solutions UK Ltd. and 100% stake in HGS France SARL, France, a non-operating company.

For FY 2020, it recorded revenue of GBP 2.7 million as compared to GBP 2.5 million in FY 2019.

Hinduja Global Solutions UK Ltd. is a leading contact center company with centers in London, Preston, Liverpool and Selkirk (Scotland). It offers a range of services for inbound and outbound interactions to marquee customers across verticals such as government, FMCG, financial services and retail.

For FY 2020, it recorded turnover of GBP 35.3 million as compared to GBP 32.9 million in FY 2019.

HGS St. Lucia Ltd., Saint Lucia, is the holding company of Team HGS Ltd., Jamaica.

Team HGS Ltd., Jamaica, began call center operations in FY 2013 at Kingston and continues to show strong performance. It services local Jamaican clients as well as US clients from healthcare and other verticals.

Revenue for FY 2020 was Jamaican Dollars 4,860.9 million compared to Jamaican Dollars 3,877.6 million in FY 2019.

Hinduja Global Solutions MENA FZ-LLC: It has an office in Dubai Internet City with the objective to build sales pipeline and provide technology-based support services to other HGS entities.

In FY 2020, it recorded revenues of AED 7.4 million as compared to AED 1.4 million in FY 2019.

HGS AxisPoint Health LLC: The share capital of this company is held by HGS International, Mauritius (51%) and Hinduja Global Solutions UK Ltd. (49%).

HGS AxisPoint Health LLC, through its CarePoint division, is engaged in providing care management services and case management programs that provide quantified results for payers and their members with predictive intelligence, laser-focused targeting, pulsed interventions and a digital health experience.

For FY 2020, it recorded revenue of US\$ 15.9 million as compared to US\$ 30.8 million in FY 2019.

HGS Digital LLC (formerly known as Element Solutions LLC): Hinduja Global Solutions UK Ltd., was

holding 71.33% in HGS Digital LLC, USA as on March 31, 2020 while the balance 28.67% was held by its Founders.

On August 3, 2020, Hinduja Global Solutions UK Limited acquired an additional 14.33% equity interest in HGS Digital LLC, USA. After this acquisition, Hinduja Global Solutions UK Limited's equity interest in HGS Digital LLC has increased to 85.66% and balance are held by its Founders.

The Company is engaged in providing digital marketing services, digital consulting services as well as cloud migration and cloud monitoring services.

For FY 2020, it recorded revenue of US\$ 18.4 million as compared to US \$ 15.5 million in FY 2019.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of your Company's subsidiaries in Form AOC-1 is attached to the financial statements of your Company.

Further, pursuant to Section 136 of the Act, the financial statements of your Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, as may be applicable, are available on the website of Company (www.teamhgs.com).

Particulars of Loans, Guarantees and Investments

Particulars of Loans, Guarantees and Investments as per Section 186 of the Companies Act, 2013 have been disclosed in this Annual Report as a part of the Notes to the financial statements.

Share Capital

During the financial year, there was no change in the Authorized Share Capital of the Company. As on March 31, 2020, the Authorized Share Capital of the Company was ₹ 27,65,00,000/- divided into 2,75,00,000 Equity shares of ₹ 10/- each and 1,50,000 1% Participatory Redeemable Non-Cumulative Preference Shares of ₹ 10/- each.

During the financial year, your Company issued / allotted 26,989 Equity shares of 10/- each under ESOP Schemes (i.e., ESOP 2008 and ESOP 2011), pursuant to exercise of stock options by eligible employees. Consequently, the issued, subscribed and paid up capital of your Company has increased from 2,08,38,944 equity shares to 2,08,65,933 equity shares of ₹ 10/- each aggregating to ₹ 208.66 Million as on March 31, 2020.

During the financial year, your Company has not issued shares with differential voting rights and sweat equity shares.

Further, no amount is proposed to be transferred to the General Reserves of your Company out of the profits for the year.

Credit Rating

As on March 31, 2020, your Company has a long-term rating of CRISILA+ and short-term rating of CRISILA1+.

Investor Education and Protection Fund (IEPF)

The detailed information pertaining/relating to IEPF has been provided in the 'Corporate Governance Report' section, which forms part of this Report as **Annexure 'C'**.

Communications and Public Relations

Your Company continued to grow its brand position in the global market during FY2020. Globally and primarily in the US, your Company has established itself as an industry leader, with an 18.3% media share of voice - an almost 8% year over year increase, according to an independent report by Apollo Research (April 2020).

In India, your Company continues to leverage media and social media as a key channel to enhance visibility and thought leadership amongst key stakeholders, including investors, employees and government. Focus areas include driving the transformation message, business growth, HR trends led by technology, our community efforts, etc.

With your Company's Executive Director (Whole-time Director) and Global CEO, Mr. Partha DeSarkar becoming the Nasscom BPM Council Chairperson in FY2020, your Company has been amongst the leading voices in the industry on everything related to the BPM sector. The annual Investor Meet is another key channel that is helping increase awareness and engagement with investors and communicate HGS' perspectives to the market.

With the development of the COVID-19 global health crisis, and so many large BPO publicly struggling due to weak, highly-leveraged balance sheets, your Company is re-emphasizing its unique position of financial strength, leveraging the company's robust client portfolio, very little debt, and strong backing by parent Company Hinduja Group, in press releases, blog posts and social media content.

In FY 2020, your Company focused on expanding its presence, share of voice and vertical expertise in healthcare. From a PR perspective, your Company saw significant increase in coverage year-over-year in this key vertical, including in influential healthcare outlets such as Managed Healthcare Executive, Health IT Outcomes, Healthcare Business Today and Electronic Health Reporter.

Your Company launched the new HGS Digital brand in FY 2020, enabling the Company to double down on its customer experience (CX) messaging. To that end, your Company launched the new Better CX digital ad campaign to establish the brand among key c-suite audiences, including CIOs, CXOs and CMOs.

The campaign has ensured that HGS CX messaging reaches all key demographic of buyers, and elevates the Company's profile while securing qualified leads. The brand launch was augmented with a still-ongoing media relations campaign to create awareness and mindshare among key audiences.

Your Company has also been featured in key outlets such as Forbes.com, The Economic Times, Yourstory, Business Standard, Moneycontrol, etc., as well as influential trade outlets like MarTech Advisor, Tech Talks Daily, and Business2Community. These key media placements have consisted of proactive thought leadership messaging in the form of contributed content, quotes from your Company's leadership, podcast interviews and guest columns that enhance your Company's industry awareness and position your Company's executives as leading experts in their field.

Your Company is especially proud of its work in enabling an inclusive and transparent culture at the workplace through its internal communications. Your Company leverages various communication platforms – both online and offline – to share views and news, and holds interactive conversations with your Company's employees globally. With an objective to further enhance the Employer of Choice brand, your Company organized several townhalls, events, campaigns, contests, awareness camps and other fun engagement activities to build a more cohesive teamhgs.

Corporate Social Responsibility (CSR)

As a socially responsible corporate entity, the CSR initiatives of your Company continues to aim at the overall development of the Society, with a major thrust on upliftment of the economically and socially weaker communities of the society. Towards achieving such objectives, CSR initiatives/ activities undertaken by your Company essentially focus on following core areas: Healthcare, Education and Community Development. CSR projects for honing the vocational skills of the youth and of the differently abled are also undertaken with the objective of enhancing their employment opportunities and livelihood.

Your Company would continue to carry out CSR activities in the aforementioned areas and will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013, including any amendment to the said Schedule.

During the year, your Company had won three CSR awards: CSR Project of the Year award for 'Advanced Mobile Health Unit (AMHU) Project' and Best CSR Practice Award for 'Voluntary initiatives across the cities' at the UBS Corporate Social Responsibility Summit & Awards and the 'Best Work Place Practice' award for HGS' volunteering practices at the ET Now - World HRD Congress Awards 2020.

The Corporate Social Responsibility Committee ("CSR Committee") of your Company as at March 31, 2020, consisted of following Members:

- Mr. Anil Harish (DIN: 00001685), Independent Director - Chairman
- Mr. Sudhanshu Tripathi (DIN: 06431686), Non-Executive, Non-Independent Director - Member (with effect from September 30, 2019)
- Mr. Partha DeSarkar (DIN: 00761144), Executive Director (Whole-time Director) - Member (with effect from September 30, 2019)

Mr. Rajendra P. Chitale and Mr. Rangan Mohan, Independent Directors ceased to be members of the Committee, effective July 03, 2019 since they ceased to be Independent Directors of the Company upon expiry of their tenure as Independent Directors from the said date.

Mr. Pradeep Mukerjee, Independent Director, was a member of the Committee effective May 30, 2019 and ceased to be a member of the Committee effective September 02, 2019 since he resigned as member of the Board.

Mr. Ramkrishan P. Hinduja and Ms. Vinoo S. Hinduja, Non-Executive and Non-Independent Directors ceased to be members of the Committee effective September 03, 2019 since they resigned as members of the Board.

During the Financial Year 2019-20, one meeting of CSR Committee was held on March 28, 2020.

In terms of the CSR Policy of the Company, the CSR Forum, consisting of senior employees of your Company, identifies and evaluates CSR projects/ initiatives and recommend the same for the consideration of the CSR Committee. The CSR Committee reviews the recommended projects/ initiatives and the expenditure to be incurred as per the provisions of the Companies Act, 2013 and the Rules made thereunder. The CSR Committee post review, recommends CSR projects/ initiatives to the Board of Directors for approval. The Board reviews and approves the CSR Projects/ initiatives recommended by the CSR Committee.

The CSR Forum monitors the progress of the approved CSR Projects/initiatives and provides periodical updates on status of implementation, expenditure incurred/ to be incurred and beneficiaries of such projects to the CSR Committee and to the Board.

The Report on CSR activities, in the format as required under Companies (Corporate Social Responsibility) Rules, 2014, is set out in **Annexure 'G'** forming part of this Report. The CSR Policy of the Company is available on the website of your Company at www.teamhgs.com/investors/corporate-policies.

Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) to the extent applicable, as prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended thereof.

As stipulated under the provisions contained in Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors, based upon the information and explanations obtained by them as also documents made available to them and to the best of their knowledge, and belief, state that:

- a) in preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there have been no material departures in the adoption and application thereof;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- c) they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) they have laid down adequate internal financial controls to be followed by the Company and that they are adequate and operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Your Company has in place internal financial controls framework which, inter-alia, consist of Function wise Status of Testing (Risk and Control Matrix, Test of Design, Test of Operating Effectiveness), Summary of Controls (Key and Non-Key), Process level controls (Process/ Function wise), IT General controls (Application wise and Process wise) and Summary of Gaps in Process Level Controls, IT General Controls, etc. Total number of controls in FY 2019-20 has decreased due to consolidation of similar manual controls falling part of the same activity. Total number of automated controls have increased due to elimination of manual controls

and putting automated controls in place. Such framework is periodically internally tested as well as reviewed and tested by the external consultant. Based upon the said framework and the compliance systems established and maintained by the Company, work performed by the statutory, internal and secretarial auditors, including audit of internal financial controls over financial reporting, the reviews carried on by the Management, confirmations provided by the external consultants and update on such 'Framework' presented to the Audit Committee and to the Board, the Board is of the opinion that your Company's internal financial controls were adequate and effective during FY 2019-20.

Number of Meetings of the Board

Sixteen meetings of the Board were held during the financial year 2019-20 on the following dates i.e., May 18, 2019, May 30, 2019, August 05, 2019, August 23, 2019, September 04, 2019 (2 Meetings), September 30, 2019 (2 Meetings), October 25, 2019, November 11, 2019, November 27, 2019, February 07, 2020, March 24, 2020, March 25, 2020 and March 31, 2020 (2 Meetings). The time gap between any two meetings did not exceed one hundred and twenty days. The further details in this regard are given in the Corporate Governance Report, which forms part of this Report as **Annexure 'C'**.

Declaration by Independent Directors

As required under Section 149(7) of the Companies Act, 2013, ('the Act'), all the Independent Directors on the Board have given declaration of their independence confirming that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations'). In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Regulations and are independent of management.

Familiarization Program for Independent Directors

All the new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the Corporate Governance Report, as applicable. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, functions, duties and responsibilities. The format of the letter of appointment is available on the website of your Company, at <https://www.teamhgs.com/investors/corporate-governance/familiarization-programme-for-directors>.

Board Evaluation

Pursuant to Sections 134, 178 of the Companies Act, 2013 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, the Board Effectiveness Evaluation was carried out. It consists of 3 components:

1. Independent Directors meeting
2. Board and committee effectiveness evaluation
3. Individual Directors effectiveness evaluation.

At the separate meeting of Independent Directors held for the Financial Year ended March 31, 2020 (without the attendance of Non-Independent Directors and the Members of the Management), performance evaluation of Non-Independent Directors, the Chairman of your Company and the Board as a whole was carried out for the Financial Year 2019-20. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between your Company's Management and the Board.

Directors

Mr. Rajendra P. Chitale (DIN: 00015986) and Mr. Rangan Mohan (DIN: 01116821), Independent Directors ceased to be Independent Directors of the Company upon expiry of their tenure effective July 03, 2019.

Mr. Pradeep Mukerjee (DIN: 02287773), an independent Director, resigned as a member of the Board effective September 02, 2019, due to various professional and personal engagements. Further, it is confirmed that there were no other material reasons for his resignation.

Mr. Ramkrishan P. Hinduja (DIN: 00278711), Chairman, Ms. Shanu S. P. Hinduja (DIN: 06512872), Co-Chairperson, and Ms. Vinoo S. Hinduja (DIN: 00493148), Non-Executive and Non-Independent Directors, resigned as members of the Board effective September 03, 2019, to enable re-constitution of the Board. The Board placed on record its sincere appreciation for the contribution, guidance and advice provided by the said Directors during their tenure as members of the Board, which has immensely benefitted the Board and your Company.

Ms. Bhumika Batra (DIN: 03502004) was appointed as an Independent Director of the Company at the 24th AGM of the Company held on September 28, 2019 for a period of five (5) consecutive years effective September 04, 2019.

Mr. Partha DeSarkar (DIN: 00761144), who was earlier appointed as Manager (designated as 'Chief Executive Officer') of your Company as defined under Section 2(53) of the Companies Act 2013, was appointed as an Executive Director (Whole-time Director) of your Company at the 24th AGM of your Company held on September 28, 2019 for a period of five (5) years effective September 04, 2019, liable to retire by rotation.

Pursuant to Article 152(1) of Articles of Association of the Company, Mr. Yashodhan Madhusudan Kale (DIN: 00013782) Non- Executive Director and Non-Independent

Director, has been appointed as Chairman of the Board effective September 30, 2019.

Mr. Sudhanshu Tripathi (DIN: 06431686) was appointed as an Additional Director and Non-Executive Non-Independent Director on the Board, liable to retire by rotation, effective September 30, 2019, subject to the approval of members at the 25th AGM of your Company. The notice convening the meeting sets out the details of his appointment.

Dr. Ganesh Natarajan (DIN: 00176393) was appointed to the Board, considering his integrity, expertise and experience, as an Additional Director (Independent Director) for a period of five (5) consecutive years effective September 30, 2019, subject to the approval of members at the 25th AGM of your Company. The notice convening the meeting sets out the details of his appointment.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Partha DeSarkar (DIN: 00761144), Executive Director (Whole-time Director) is liable to retire by rotation at the ensuing 25th AGM and being eligible, offers himself for re-appointment.

None of the Directors of the Company are disqualified for appointment / continue to act as Director under Section 164 of the Companies Act, 2013.

Details relating to the composition of the Board, meetings of the Board held during financial year ended March 31, 2020, attendance of the Directors have been provided in the Report on Corporate Governance which forms part of this Report as **Annexure 'C'**.

Appointment of Independent Directors

Pursuant to the recommendation of Nomination and Remuneration Committee and pursuant to provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015:

- Dr. Ganesh Natarajan (DIN: 00176393) was appointed to the Board as an Additional Director (Independent Director) for a period of five (5) consecutive years effective September 30, 2019, subject to the approval of members at the 25th AGM of the Company. The notice convening the meeting sets out the details of his appointment.
- Mr. Anil Harish (DIN: 00001685) is proposed to be re-appointed as an Independent Director of the Company for a period of five (5) consecutive years effective September 29, 2020, subject to the approval of members at the 25th AGM of the Company. The notice convening the meeting sets out the details of his reappointment.

Registration in Independent Director Databank

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, the Independent Directors, to the extent applicable, have completed the registration with the Independent Directors Databank.

Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, Audit Committee of the Board as at March 31, 2020, comprises of following Members:

- Mr. Anil Harish, Independent Director - Chairman
- Mr. Yashodhan Madhusudan Kale, Non-Executive, Non-Independent Director - Member (with effect from September 04, 2019)
- Ms. Bhumika Batra, Independent Director - Member (with effect from September 04, 2019) and
- Dr. Ganesh Natarajan, Independent Director – Member (with effect from September 30, 2019)

Mr. Rajendra P. Chitale and Mr. Rangan Mohan, Independent Directors ceased to be members of the Committee effective July 03, 2019 since they ceased to be Independent Directors of the Company upon expiry of their tenure from the said date.

Mr. Pradeep Mukerjee, Independent Director, was a member of the committee effective May 30, 2019 and ceased to be a member of the Committee effective September 02, 2019 since he resigned as member of the Board.

Mr. Ramkrishan P. Hinduja, Non-Executive and Non-Independent Director ceased to be member of the Committee effective September 03, 2019 since he resigned as member of the Board.

Recommendations made by the Audit Committee, during the year under review, have been accepted by the Board.

Further details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of this Report as **Annexure 'C'**.

Key Managerial Personnel

In terms of Section 203 of the Companies Act, 2013, your Company has the following Key Managerial Personnel: Mr. Partha DeSarkar, Executive Director (Whole-time Director); Mr. Srinivas Palakodeti, Chief Financial Officer and Mr. S. Mahadevan, Executive Vice President – Legal, Compliance and Company Secretary.

During the financial year, Mr. Makarand D. Dewal resigned as the Company Secretary (Key Managerial Personnel) effective October 01, 2019. Subsequently, Mr. S. Mahadevan was appointed as the Company Secretary (Key Managerial Personnel) of the Company, effective October 01, 2019.

Confirmation of Code of Conduct

The Executive Director and Chief Executive Officer's confirmation to the effect that all members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2020 forms part of this Report as **Annexure 'A'**.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo forms part of this Report as **Annexure 'B'**.

Report on Corporate Governance

As required under Schedule V of the SEBI (LODR) Regulations, 2015, a detailed report on Corporate Governance forms part of this Report as **Annexure 'C'**.

The Statutory Auditors of your Company have examined the compliance of conditions of Corporate Governance as stipulated in Schedule V (C) of the SEBI (LODR) Regulations, 2015 and their certificate is attached as **Annexure 'D'** to this Report.

Report on Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, a separate report on Management Discussion and Analysis is annexed to this Report as **Annexure 'E'**.

Employees Stock Options Plans ('ESOP')

Two ESOP Schemes, viz. 'Hinduja Global Solutions Limited Employees Stock Options Plan 2008' and 'Hinduja Global Solutions Limited Employees Stock Options Plan 2011' have been in operation during the Financial Year 2019-20. These ESOP Schemes are in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014. The particulars of aforesaid ESOP Schemes are available on your Company's website at www.teamhgs.com/investors/other-reports. No changes have been made to the aforesaid ESOP Schemes during the Financial Year 2019-20.

Extract of Annual Return

Pursuant to Section 134(3)(a) of the Companies Act, 2013, an extract of Annual Return as on Financial Year ended March 31, 2020, in the prescribed format, is available on your Company's website www.teamhgs.com/investors/other-reports and forms part of this Report as **Annexure 'F'**.

Related Party Transactions

All contracts /arrangements /transactions entered into with the related parties during the Financial Year

2019-20 are in the ordinary course of business and at arm's length basis and therefore, outside the purview of Section 188(1) of the Companies Act, 2013 and same are disclosed in the financial statements of your Company. Policy on Related Party Transactions as recommended by the Audit Committee and adopted by the Board is available on the Company's website at www.teamhgs.com/investors/corporate-policies. Information on related party transactions pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given in Form AOC-2 and the same forms part of this Report as **Annexure 'H'**.

Policy on Directors' Appointment and Remuneration

Policy on Directors' Appointment and Remuneration and on other matters provided in Section 178(3) of the Companies Act, 2013 have been disclosed in the Corporate Governance Report, which forms part of this Report as **Annexure 'C'** and available on your Company's website at www.teamhgs.com/investors/corporate-policies.

Whistle Blower Policy and Vigil Mechanism

The Company has a Whistle Blower Policy and Vigil Mechanism in place and is available on the website of your Company at www.teamhgs.com/investors/corporate-policies. The details of this Policy are disclosed in the Corporate Governance Report, which forms part of this Report as **Annexure 'C'**.

There were no complaints received during the year under the Policy.

Internal Complaints Committee

Pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place an Internal Complaints Committee (ICC) and also Policy on appropriate social conduct at workplace. The Policy is applicable to all employees of your Company at all locations. Employees, for the purpose of this policy, shall include all persons engaged in the business and operations of your Company and includes permanent, temporary and part-time employees. In addition, this Policy shall also be applicable to all third parties such as visitors, clients, customers, contractors, service providers, and any other person authorized to be present within the premises/ workplace of your Company. Your Company's workplace includes Company's premises, as well as the premises of other third parties, vendors and associates of your company where the employees of your Company are required to perform work or that are visited by the employees of your Company arising out of or during the course of employment.

The Reports of the ICC are periodically placed before the Board of Directors for review and suggestions as an ongoing process, initiatives are taken by the Management

to make the work place safer for the employees. The status of complaints received, disposed of by the ICC and pending as at March 31, 2020 is as under:

- a. Number of complaints received: 25*
- b. Number of complaints disposed of: 23*
- c. Number of complaints pending as at March 31, 2020: 2

* One complaint was filed and withdrawn by the complainant before the case even started.

Risk Management Policy

Your Company has formulated Risk Management Policy & Procedures, which inter-alia identifies risks, taking into consideration the business and operations of the Company and adoption of mitigation measures. The Policy & Procedures identify elements of risks which in the opinion of the Board may threaten the existence of your Company. The details of the Policy & Procedures are given in the Management Discussion and Analysis Report (MDA) annexed to this Report as **Annexure 'E'**.

The Risk Management Committee consisting of the Chief Executive Officer, Chief Financial Officer and Executive Vice President - Legal, Compliance and Company Secretary and the Risk Head, periodically review the Enterprise Risk Management framework, as well as the risks that matter and update on the same is provided to the Audit Committee and the Board. The suggestions of the Audit Committee and the Board are implemented wherever feasible. The Risk Management Committee met two times during the year to review and update the Company's Enterprise Risk Management Framework. As per the extant SEBI Listing Regulations, your Company is not required to constitute a Risk Management Committee consisting of Directors.

Fixed Deposits

Your Company has not accepted any fixed deposits from the public during the year under review and as such, no amount on account of principal or interest on fixed deposits was outstanding as on the Balance Sheet date.

Statutory Auditors and Auditors' Report

At the 22nd AGM of your Company held on September 28, 2017, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of your Company for a period of five consecutive years, i.e. from the conclusion of the 22nd AGM till the conclusion of the 27th AGM.

Pursuant to the Companies (Amendment) Act, 2017, notified on May 7, 2018, ratification of appointment of Auditors at every subsequent AGM after their appointment is not required. However, your Company has taken on record confirmation from the Statutory Auditors confirming

that they are eligible to continue to act as Statutory Auditors of your Company.

The Auditors' Report contains 'Unmodified Opinion' on the financial statements (standalone and consolidated) for the year ended March 31, 2020 of the Company and there are no qualifications in their Report.

Secretarial Audit and Compliance with Secretarial Standards

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed Ms. Rupal D. Jhaveri, Practicing Company Secretary [FCS No. 5441 and Certificate of Practice No.4225], as the Secretarial Auditor to carry out the Secretarial Audit for the Financial Year 2019-20.

The Secretarial Audit Report in the prescribed format, for the Financial Year 2019-20, forms part of this Report as **Annexure 'I'**. The Report does not contain any qualifications, reservations or adverse remarks except an observation.

The response to the observation relating to appointment of an independent director on an unlisted material subsidiary given in Secretarial Audit Report is as under:

In terms of the requirement stipulated in regulation 24(1) of the SEBI (LODR) Regulations, an independent director of the Company is required to be on the Board of Hinduja Global Solutions UK Limited ('HGS UK'), an unlisted material subsidiary. While an independent director of the Company has been attending the Board meetings of HGS UK as an invitee from January 2020 onwards, the Board of Directors of the Company, on September 5, 2020, has nominated an independent director of the Company on the Board of HGS UK.

During the year, your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Maintenance of Cost Records and Appointment of Cost Auditor

Your Company is not required to maintain cost records pursuant to Section 148 of the Companies Act, 2013 and requirement to appoint a Cost Auditor is not applicable to your Company.

Particulars of Employees

Disclosures as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto are given in Annexure 'J' to this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing

the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report.

Having regard to the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of your Company. The said information is available for inspection at the Registered Office of the Company and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

In accordance with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of foreign employees, excluding directors and their relatives, have not been included in the Annual Report. Members interested in obtaining the said information may write to the Company Secretary at the Registered Office of your Company and the requested information shall be furnished to such member without any fee.

Business Responsibility Report (BRR)

Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015 mandates inclusion of the BRR as part of the Report of your company for top 1000 listed entities based on market capitalization. In compliance with said regulation, BRR forms part of this Report as **Annexure 'K'**.

Significant and Material Orders

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status and your Company's operations in the future.

Internal Financial Controls and its Adequacy

The Board has adopted policies and procedures for ensuing the orderly and efficient conduct of its business, including Internal Financial Controls (including Internal Financial Controls over Financial Reporting) and their adequacy are included under the heading 'Internal Controls' in the Management Discussion and Analysis section, which forms part of this Report as **Annexure 'E'**.

Material Changes and Commitments Affecting the Financial Position of the Company between the end of the Financial Year and Date of the Report

There were no material changes and commitments affecting the financial position of your Company between the end of the Financial Year and date of the Report.

Acknowledgements

Your Directors express their grateful appreciation for the co-operation and support received from the customers, vendors, business associates, investors, financial institutions, bankers, the Government of India, State Governments, Governments of various countries in which your company operates, regulatory authorities and the society at large. Your Directors place on record their sincere appreciation for the dedicated efforts, commitments and contribution of employees at all levels of your Company which has enabled your Company to achieve consistent growth in challenging business environment.

For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale

Place : Mumbai

Chairman

Date : September 05, 2020

(DIN: 00013782)

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Confirmation towards Code of Conduct

I hereby confirm that all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2020.

Place : Bangalore

Date : August 12, 2020

Partha DeSarkar

Executive Director (Whole-time Director)

(DIN: 00761144)

Annexure 'B'

TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Accounts) Rules, 2014

a. Energy Conservation and Technology Absorption:

FY2019-20 saw several noteworthy changes for IT infrastructure at HGS. While we have been sustaining our efforts to mitigate our carbon footprint each year, our initiatives to optimize energy consumption and virtualize infrastructure to drive efficiencies of our systems globally have scaled up significantly. With the sale of our India domestic CRM business in January 2020, migration of the overall business-related infrastructure has been completed seamlessly. In the Philippines, Your Company has consolidated our sites at the new Bridgetowne facility in Manila without any client disruption.

In light of the global COVID-19 pandemic, you Company has successfully enabled the shift of a majority of employees within the span of two weeks in March 2020. Your Company also implemented the Citrix Virtual Desktop Infrastructure (VDI) for shared services users and its benefits have been manifold. Not only has it improved security and centralized management of desktops in the backend, but it has also enabled employees to access their desktops from anywhere and any device. This has been particularly helpful for our employees to make a smooth shift to remote working as part of our Business Continuity Plan (BCP), and in turn, has minimized the usage of physical infrastructure to an extent. Outside of the COVID-19 context, the Company migrated all desktop requirements for Colibrium to on-premises virtualization setup.

Our digital shift, both internally and in our solutions delivered to clients, has been on a steady rise this year.

On the internal front, HGS' IT team has enabled the migration of proxy services over on-premises Websense to the Zscaler cloud-based model, which has helped minimize the administration and increased service uptime. The RMS workload has been migrated to AWS Cloud for greater cost optimization. In a bid to centralize the datacenter, HGS has completed the infrastructure refresh and migration to the existing Axis Point Health datacenter. To enhance IT support for the organization, the IT team has also introduced a mobile app of the Summit IT service management tool for improved remote assistance and ticket management. Your Company also been overseeing standardization and optimization of infrastructure, cloud adoption and upgrades in specific tools, basis business and client

needs, and financial viability. Multiple vulnerability tests and audits have been cleared, as a result of network devices hardening.

The information security ecosystem at HGS has broadened globally with mobile device management (MDM), email system integration for Colibrium and architecture design of application delivery controller (ADC) single sign-on (SSO). Your Company also enhanced our security position by signing up with Cisco for Compromise Assessment (CA) & Incident Response and Retainer (IRR) to address any institutionalized CA/IRR for HGS worldwide. Additionally, your Company seen an increase in the bitsight score across the domains of Team HGS, the Hinduja Group and HGS Business Services (HGSBS).

Your Company completed infrastructure and software audits through multiple third-party vendors including Deloitte and KPMG. Client audits have also concluded with no non-conformance from clients.

b. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow.

Export Initiative, Foreign Exchange Earnings and Outgo:

➤ Export initiatives and development of new export market:

The share of export in the total income for the last two years is as given under:-

For the Year	2019-20	2018-19
Export as a:		
% of operating income	42.3%	39.7%
% of total income	40.4%	38.9%

➤ Foreign Exchange Earnings and Outgo:

(₹ in million)

For the Year	2019-20	2018-19
Total Foreign Exchange earned	10,282.5	8,712.7
Total Foreign Exchange outgo	116.0	134.7

For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale

Place : Mumbai

Chairman

Date : September 05, 2020

(DIN: 00013782)

Annexure 'C' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

For the Financial Year ended March 31, 2020

[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 run its business and operations in a legal, ethical and transparent manner and its corporate practices are based on professionalism, fairness and accountability which ultimately results in building confidence and in gaining credibility and trust of various stakeholders. The business and operations of your Company are carried on by the professional and competent management under the guidance and advice of the diversified, experienced and independent Board of Directors. The Board of Directors act as a vital monitoring mechanism to ensure adoption and implementation of good corporate practices by the management. Your Company believes that the primary goal of corporate governance is the enhancement of long-term shareholders' value and at the same time protecting the interest of other stakeholders and strives to achieve these objectives, thereby paving the way for its long term success.

2. BOARD OF DIRECTORS

During the year under review:

- Term of office of Mr. Rajendra P. Chitale (DIN: 00015986) and Mr. Rangan Mohan (DIN: 01116821) as Independent Directors came to an end on July 03, 2019 and thereby, Mr. Rajendra P. Chitale and Mr. Rangan Mohan ceased to be members of the Board of Directors of the Company.
- Mr. Pradeep Mukerjee (DIN: 02287773), Independent Director of the Company {appointed as an Independent Director for a consecutive period of five years from September 21, 2016 to September 20, 2021 (both days inclusive) at the Twenty First Annual General Meeting of the Company held on September 21, 2016} had vide letter dated September 02, 2019, submitted his resignation from the Board of Directors of the Company with immediate effect, due to various professional and personal engagements and there were no other material reasons mentioned in the resignation letter.
- Mr. Ramkrishan P Hinduja (Chairman) (DIN:00278711), Ms. Shanu S.P. Hinduja (Co-Chairperson) (DIN: 06512872) and Ms. Vinoo S. Hinduja (Director) (DIN: 00493148); submitted their resignation from the Board of Directors of the Company w.e.f. September 03, 2019.
- Ms. Bhumika Batra (DIN: 03502004) was appointed as an Additional Independent Director for a period of 5 years w.e.f. September 04, 2019, and the shareholders at the Annual General Meeting ('AGM') of the Company held on

September 28, 2019 approved her appointment as an Independent Director.

- Mr. Partha DeSarkar (DIN: 00761144), who was the Manager under the Companies Act 2013 designated as Chief Executive Officer, has been appointed as Executive Director (Whole-time Director) w.e.f. September 04, 2019. The shareholders at the AGM of the Company held on September 28, 2019 approved his appointment.
- Mr. Sudhanshu Tripathi (DIN: 06431686), was appointed as an Additional Director and Non-Executive Non-Independent Director w.e.f. September 30, 2019, subject to the approval of shareholders at General Meeting.
- Dr. Ganesh Natarajan (DIN: 00176393), was appointed as Additional Director and Independent Director for a period of 5 years w.e.f. September 30, 2019, subject to approval of shareholders at General Meeting.

• Composition

As at March 31, 2020, the Board of Directors of the Company comprised of six Directors. Five are Non-Executive Directors, out of which two are Non-Independent Directors and three are Independent Directors. One Director is an Executive Director. 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.

The Members of the Board are drawn from diverse fields and devote substantial time in the deliberations and discussions at the Board Meetings and Committee Meetings of which they are Members. The Board is fully committed towards ensuring adoption and implementation of highest standards of corporate governance.

The Executive Director (Whole-time Director) is responsible for the day-to-day business, operations and the 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 Regulations 16(1)(b) and 25(8) of the SEBI (LODR) Regulations, the Independent Directors have confirmed that they fulfill criteria of independence.

None of the Directors holds directorships in more than seven listed companies. Also, none of the Directors holds directorships in more than ten public companies. Further, none of the Directors are members of more than ten committees or Chairperson of more than five committees considered under Regulation 26(1) of the SEBI

(LODR) Regulations across all the companies in which they are a Director.

- **Details of Board Meetings held during the financial year ended March 31, 2020, 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, 2020, Sixteen Board Meetings were held as follows: May 18, 2019, May 30, 2019, August 05, 2019, August 23, 2019, September 04,

2019 (2 meetings), September 30, 2019 (2 meetings), October 25, 2019, November 11, 2019, November 27, 2019, February 07, 2020, March 24, 2020, March 25, 2020 and March 31, 2020 (2 meetings). 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 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, 2019	Board Membership		Committee Membership		Directorship in other listed entities	
			Chairman	Member	Chairman	Member	Name of the listed entity	Category
Mr. Yashodhan Madhusudan Kale, Chairman w.e.f. September 30, 2019 (Non-Executive Non-Independent Director) DIN : 00013782	16	Yes	1	Nil	Nil	1	Nil	Nil
Mr. Sudhanshu Tripathi Director appointed on September 30, 2019 (Non-Executive, Non-Independent Director) DIN: 06431686	9	Not Applicable	NIL	5*	NIL	6	GOCL Corporation Limited	Non-Executive, Non-Independent Director
							NXT Digital Limited	Non-Executive, Non-Independent Director
Mr. Anil Harish (Independent Director) DIN: 00001685	16	Yes	NIL	3	2	1	Blue Star Limited	Non-executive Independent Director
							NXT Digital Limited	Non-executive Independent Director
Dr. Ganesh Natarajan Director appointed on September 30, 2019 (Independent Director) DIN: 00176393	7	Not applicable	Nil	3\$	Nil	2	Nil	Nil
Ms. Bhumika Batra Director appointed on September 04, 2019 (Women Independent Director) DIN: 03502004	12	-	NIL	10^	3	10	Repro India Limited	Non-executive Independent Director
							Jyothy Labs Limited	Non-executive Independent Director
							Sharp India Limited	Non-executive Independent Director
							Finolex Industries Limited	Non-executive Independent Director
							NXT Digital Limited	Non-executive Independent Director
Mr. Partha DeSarkar Whole-time Director appointed on September 04, 2019 DIN: 00761144	11	Yes	Nil	1	Nil	1	Nil	Nil

Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on September 28, 2019	Board Membership		Committee Membership		Directorship in other listed entities	
			Chairman	Member	Chairman	Member	Name of the listed entity	Category
Mr. Ramkrishan P. Hinduja Director resigned on September 03, 2019 Ex-Chairman (Non-Executive, Non-Independent Director) DIN: 00278711 [Information is as on date of resignation i.e. September 03, 2019]	4	Not applicable	Nil	Nil	Nil	Nil	Nil	Nil
Ms. Shanu S. P. Hinduja Director resigned on September 03, 2019 Ex Co-Chairperson (Non-Executive, Non-Independent Director) DIN: 06512872 [Information is as on date of resignation i.e. September 03, 2019]	3	Not applicable	Nil	Nil	Nil	Nil	Nil	Nil
Ms. Vinoo S. Hinduja Director resigned on September 03, 2019 (Non-Executive Non-Independent Director) DIN: 00493148 [Information is as on date of resignation i.e. September 03, 2019]	2	Not applicable	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Rajendra P. Chitale Term of directorship was upto July 03, 2019. (Independent Director) DIN: 00015986 [Information is as on date of resignation i.e. July 03, 2019]	2	Not applicable	Nil	8#	3	7	NXT Digital Ltd.	Non-executive Independent Director
							Reliance Capital Ltd.	Non-executive Independent Director
							Ambuja Cements Ltd.	Non-executive Independent Director
							Everest Industries Ltd.	Non-executive Independent Director
Mr. Rangan Mohan, Term of directorship was upto July 03, 2019. (Independent Director) DIN: 01116821 Information is as on date of resignation i.e. July 03, 2019	2	Not applicable	Nil	2@	Nil	Nil	Nil	Nil
Mr. Pradeep Mukerjee Director resigned on September 02, 2019 (Independent Director) DIN: 02287773 [Information is as on date of resignation i.e. September 02, 2019]	4	Not applicable	Nil	1	Nil	2	Timex Group India Ltd.	Non-Executive-Independent Director

* Includes two unlisted public companies

\$ Includes two unlisted public companies

^ Includes four unlisted public companies

Includes four unlisted public companies

@ Includes two unlisted public companies

Notes:

I. Membership of the Board and the Committees:

- a) 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.
- b) As per Regulation 26(1)(b) of the SEBI (LODR) Regulations, Membership and Chairmanship of Audit Committee and Stakeholders Relationship and Share Allotment Committee only are considered.

II. The terms and conditions of appointment of Independent Directors have been uploaded on the website of the Company at www.teamhgs.com/investors/corporate-policies.III. The details of familiarization program imparted to Independent Directors during the Financial Year ended March 31, 2020 has been uploaded on the website of the Company at www.teamhgs.com/investors/corporate-governance/familiarization-programme-for-directors.IV. **Chart or Matrix Skills/expertise/competence of the Board:**

Your Company is engaged in the business of providing Business Process Management (BPM) Services and at present its predominant capital is 'Human Resources'. The Board has identified following skill sets / competencies:

Knowledge about the BPM Industry and how operations are carried out, knowledge and expertise in the following areas - finance, taxation (direct & indirect), Legal, Corporate laws and laws applicable to the industry in which the Company operates, Corporate Governance, SEBI Regulations, Business restructuring, Strategic Planning relating to business and human resources etc.

Following are the skills as identified by the Board:

Skills / expertise / competence of the Board of Directors as required in the context of its business(es) and Sector(s)	Name of Directors who have such skills/ expertise / competence
Corporate Governance, Accounting, Auditing and Corporate Laws	Mr. Yashodhan Madhusudan Kale
HR & Corporate Governance	Mr. Sudhanshu Tripathi
Corporate Law, Income-tax, FEMA and property matters	Mr. Anil Harish
IT & BPM Industry	Dr. Ganesh Natarajan
BPM Industry	Mr. Partha DeSarkar
Legal, Corporate & International laws	Ms. Bhumika Batra

The Board of Directors consists of 6 Directors out of which 5 are Non-Executive Directors and one Executive Director (Whole-time Director). The members of the Board are drawn from diversified field and each member of the Board has varied and vast experience in their chosen field. Having regard to the deliberations ensued at the meetings of the Board and the Committees particularly on the matters relating to the Business and operations of the Company, Regulatory compliances, adherence to the Corporate Governance standards etc.; the Board believes that its members do possess requisite skills, expertise and experience which enables the Board as a collective body to discharge its functions effectively by providing timely advice and guidance to the management in critical areas. On the other hand, the Management keeps the Board abreast about the developments taking place in the BPM Industry and how the management is preparing itself to face the challenges.

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 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, 2020. As required under Schedule V(D) of the SEBI (LODR) Regulations, declaration of the Chief Executive Officer to this effect has been attached as Annexure 'A' to the Directors' Report.

VI. Details of equity shares of the Company held by the Directors as on March 31, 2020 are as under:

Name of Director	Number of shares held
Mr. Yashodhan Madhusudan Kale	NIL
Mr. Sudhanshu Tripathi	NIL
Dr. Ganesh Natarajan	500
Mr. Anil Harish	NIL
Mr. Partha DeSarkar	50,418
Ms. Bhumika Batra	NIL

3. AUDIT COMMITTEE• **Terms of Reference**

The Audit Committee acts in accordance with the 'terms of reference' as specified by the Board of Directors ("the Board") of the Company which, inter-alia, includes:

Recommendation to the Board for appointment, remuneration and terms of appointment of Statutory Auditors of the Company, 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 auditors 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 and approval of transactions with related parties, 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 auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, Review of Reports submitted by the Compliance Officer under Prevention of Insider Trading Code of the Company and matters relating to the compliance of the said Code, Review of Reports submitted under HGS Whistle Blower Policy & Vigil Mechanism.

• **Composition**

The Audit Committee consisted of four members of the Board as follows:

- Mr. Anil Harish (Independent Director) - Chairman
- Mr. Yashodhan Madhusudan Kale (Non-Executive & Non-Independent Director) – Member*
- Dr. Ganesh Natarajan (Independent Director) – Member*
- Ms. Bhumika Batra (Independent Director) – Member*

During the year under review:

The term of Independent Directors Mr. Rajendra P. Chitale and Mr. Rangan Mohan came to an end on July 03, 2019, thereby Mr. Rajendra P. Chitale and Mr. Rangan Mohan stepped down from the Board of Directors and Audit Committee.

Mr. Pradeep Mukerjee, Independent Director of the Company, was appointed as member of the Audit Committee on May 30, 2019. Subsequently, Mr. Pradeep Mukerjee resigned from the Board and Audit Committee w.e.f. September 02, 2019.

Mr. Ramkrishan P. Hinduja, a member of the Audit Committee, resigned from the Board and Audit Committee w.e.f. September 03, 2019.

* Mr. Yashodhan Madhusudan Kale, Non-Executive & Non-Independent Director and Ms. Bhumika Batra, Independent Director were inducted as members of Audit Committee on September 04, 2019.

*Dr. Ganesh Natarajan, Independent Director, was inducted as member of the Audit Committee on September 30, 2019.

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.

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, Whole-time Director, Chief Financial Officer and such other Executives and external consultants as deemed necessary.

• **Meetings**

During the financial year ended March 31, 2020, nine Meetings were held as follows: May 29, 2019, May 30, 2019, August 05, 2019, August 23, 2019, September 30, 2019, October 25, 2019, November 11, 2019, February 07, 2020 and March 31, 2020. 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	9
Mr. Yashodhan Madhusudan Kale	5
Dr. Ganesh Natarajan	3
Ms. Bhumika Batra	5
Mr. Ramkrishan P. Hinduja	4
Mr. Rajendra P. Chitale	2
Mr. Rangan Mohan	2
Mr. Pradeep Mukerjee	2

Mr. Anil Harish, Chairman of the Audit Committee, attended the last AGM of the Company held on September 28, 2019.

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 Individual Directors, Committees of the Board and the Board as a whole and review implementation of performance evaluation process, Formulate and recommend to the Board the Remuneration Policy for Directors,

Chief Executive Officer, Key Managerial Personnel, Senior Management Personnel, 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 familiarization program 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 the approval of new stock options plan for the employees as and when deemed necessary.

Terms of reference as approved on April 30, 2020

1. The Committee shall be constituted as a Board Committee and be formally empowered to take and approve decisions and keep the Board informed at regular intervals regarding
 - i. identification and appointment of a qualified Managing Director and approving senior management candidates one level below the MD (including promotions), key managerial personnel.
 - ii. The terms of engagement for independent directors, non-executive directors, Managing Director, whole-time directors and senior management candidates one level below the Managing Director.
2. The Terms of Reference of this Committee shall be as follows:
 - Devising a policy on board diversity
 - identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
 - Formulation of criteria for evaluation of independent directors and the Board.
 - Evaluate and approve for appointment candidates recommended by Managing Director for positions of senior management and above.
 - Design and administer processes for evaluating the qualification, positive attributes and independence of a director and recommend to the Board a Policy (in compliance with the provisions of the Section 178(4) of

the Companies Act, 2013), relating to remuneration of directors, Key Managerial Personnel and other employees,

- Evaluation of Performance Management System of Managing Director, whole-time directors and senior management.
- Review the succession plan for critical Positions and suggest actions.

Composition

The NRC consisted of four members of the Board as follows:

- Mr. Anil Harish (Independent Director) – Chairman
- Mr. Yashodhan Madhusudan Kale (Non-Executive, Non-Independent Director) – Member*
- Mr. Sudhanshu Tripathi (Non-Executive, Non-Independent Director) – Member*
- Ms. Bhumika Batra (Independent Director) – Member*

During the year under review:

The term of Independent Directors Mr. Rajendra P. Chitale and Mr. Rangan Mohan came to an end on July 03, 2019, thereby Mr. Rajendra P. Chitale and Mr. Rangan Mohan stepped down from the Board of Directors and NRC.

Mr. Pradeep Mukerjee, Independent Director of the Company, was appointed as member of NRC on May 30, 2019. Subsequently, Mr. Pradeep Mukerjee resigned from the Board and NRC w.e.f. September 02, 2019.

Mr. Ramkrishan P. Hinduja and Ms. Shanu S. P. Hinduja, members of NRC, resigned from the Board and NRC w.e.f. September 03, 2019.

*Mr. Yashodhan Madhusudan Kale and Mr. Sudhanshu Kumar Tripathi, Non-Executive & Non-Independent Directors of the Company and Ms. Bhumika Batra, Independent Director of the Company, were inducted as members of NRC on September 30, 2019.

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, 2020, three Meetings of the NRC were held as follows: August 05, 2019, August 23, 2019 and September 30, 2019.

• **Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Anil Harish, Chairman	3
Mr. Yashodhan Madhusudan Kale	1
Mr. Sudhanshu Tripathi	-
Ms. Bhumika Batra	1
Mr. Ramkrishan P. Hinduja	2
Ms. Shanu S. P. Hinduja	2
Mr. Pradeep Mukerjee	2

Mr. Anil Harish, Chairman of the Committee attended the last AGM of the Company held on September 28, 2019.

• **Performance evaluation criteria for Directors**

The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The aspects evaluated are as follows:

(a) Role and Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

(b) Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

(c) Leadership and Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

(d) Personal Attributes

- Commitment to role and fiduciary responsibilities as a Board member.
- Attendance and active participation.

• **Remuneration Policy**

The Nomination and Remuneration Committee is responsible for formulating and making the necessary amendments to the "Remuneration Policy" for the Non-Executive Directors (NEDs), Chief Executive Officer (CEO), Key Managerial Personnel (KMP), Senior Executives and Employees of the Company from time to time and the Policy is approved by the Board of Directors. 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 the Company's stakeholders. The remuneration policy reflects a balance between the interests of the Company's stakeholders as well as between the Company's short-term and long-term strategy and is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company.

Pursuant to the Companies (Amendment) Act, 2017, and SEBI (LODR) Amendment Regulations, 2018, the revised Remuneration Policy effective April 01, 2019, as approved by the NRC and the Board of Directors for Directors, Chief Executive Officer, Key Managerial Personnel, Direct Reports of Chief Executive Officer, Senior Executives and employees has been placed on the website of the Company at www.teamhgs.com/investors/corporate-policies.

• **REMUNERATION OF NON-EXECUTIVE DIRECTORS**

➤ **Remuneration by way of sitting fees:**

The Non-Executive Directors were paid sitting fees, for attending Meetings of the Board and the Committees of the Board of which the Directors are members held during the Financial Year ended March 31, 2020, as under, within the limits prescribed under the Companies Act, 2013:

Name of the Director	Sitting Fee (₹)
Mr. Yashodhan Madhusudan Kale	20,50,000
Mr. Anil Harish	23,50,000
Mr. Sudhanshu Tripathi	9,50,000
Dr. Ganesh Natarajan	10,50,000
Ms. Bhumika Batra	17,00,000
Mr. Ramkrishan P. Hinduja	7,00,000
Mr. Rajendra P. Chitale	3,00,000
Mr. Rangan Mohan	3,00,000
Ms. Shanu S.P. Hinduja	4,00,000
Ms. Vinoo S. Hinduja	2,00,000
Mr. Pradeep Mukerjee	6,00,000

➤ Remuneration by way of Commission:

The Non-Executive Directors are paid commission within the ceiling of 1% of the net profits of the Company as computed in the manner as specified under Section 198 of the Companies Act, 2013 in accordance with the approval granted by the Members at the 20th AGM held on September 29, 2015. Such commission is to be divided amongst the Directors as determined and approved by the Nomination and Remuneration Committee ('NRC') and the Board of Directors ('Board') based upon the parameters such as tenure as a Board member, attendance and participation in the Board meetings during the year etc.

Name of the Director	Commission* (₹)	Commission** (₹)
Mr. Yashodhan Madhusudan Kale	2,818,000	3,617,000
Mr. Anil Harish	4,854,000	4,244,000
Mr. Sudhanshu Tripathi	-	2,156,000
Dr. Ganesh Natarajan	-	1,962,000
Ms. Bhumika Batra	-	3,021,000
Mr. Ramkrishan P. Hinduja	4,934,000	-
Mr. Rajendra P. Chitale	4,935,000	-
Mr. Rangan Mohan	4,789,000	-
Ms. Shanu S. P. Hinduja	2,193,000	-
Ms. Vinoo S. Hinduja	3,159,000	-
Mr. Pradeep Mukerjee	2,818,000	-
Total	30,500,000	15,000,000

*Commission paid during the financial year 2018-19 was for the financial year ended March 31, 2019.

**Commission for the financial year ended March 31, 2020 as recommended by the NRC and was approved by the Board. Total Commission amount of Rs.325 Lakhs has been provided in the accounts for the year ended March 31, 2020.

The commission will be paid after the approval and adoption of Audited Accounts for the financial year ended March 31, 2020 at the ensuing 25th AGM of the Company.

Non-Executive Directors are not entitled for stock options under the present Schemes of the Company.

- Remuneration to Manager (designated as Chief Executive Officer) from April 1, 2019 to September 3, 2019 and Executive Director (Whole-time Director) with effect from September 4, 2019.

Remuneration to Manager (designated as Chief Executive Officer) from April 1, 2019 to September 3, 2019 and Executive Director (Whole-time Director) with effect from September 4, 2019 is subject to the limits specified in Section 197 and Schedule V to the Companies Act, 2013 and in accordance with the terms of appointment and remuneration approved by the Members at the 23rd AGM held on September 29, 2018 and 24th AGM held on September 28, 2019.

Elements of Remuneration package of Executive Director Mr. Partha DeSarkar

Elements of remuneration package	Executive Director, Mr. Partha DeSarkar
Salary	26,390,357
Perquisites & Allowances	1,056,284
Commission	NIL
Bonus	NIL
Annual Performance Incentive#	36,056,818
Deferred Performance Incentive*	50,730,000
Severance fee	NIL
Stock Options granted	NIL
Other, please specify (Employers contribution towards Provident Fund, Gratuity Fund and Superannuation Fund and Medical Insurance)	1,803,211
Total	116,036,670

Perquisites are valued as per Income Tax Act, 1961.

The remuneration is exclusive of taxable value of perquisite on stock options exercised during the year. Executive remuneration includes provision for variable remuneration. The Nomination & Remuneration Committee and the Board of Directors, at their meetings held on September 3, 2020 and September 5, 2020 respectively have approved the payment of ₹ 3,27,96,000 for the year ended March 31, 2020.

* Deferred performance incentive, payable in FY 2023, subject to Company achieving certain profitability targets by the financial year ending March 31, 2022 and subject to the approval by the Nomination & Remuneration Committee and the Board of the Directors.

- **Material pecuniary relationships or transactions with the Non-Executive Directors:**

Apart from the sitting fees and commission paid by the Company to the Non-Executive Directors, the Company did not have any material pecuniary relationships or transactions with Non-Executive Directors in their individual capacity during the financial year ended March 31, 2020.

5. STAKEHOLDERS RELATIONSHIP AND SHARE ALLOTMENT COMMITTEE

The Stakeholders' Grievance Committee is known by the name Stakeholders' Relationship and Share Allotment Committee.

- **Composition**

The Stakeholders' Relationship and Share Allotment Committee consisted of four members of the Board as follows:

- Ms. Bhumika Batra (Independent Director) – Chairperson*
- Mr. Sudhanshu Tripathi (Non-Executive, Non-Independent Director) – Member*
- Dr. Ganesh Natarajan (Independent Director) – Member *
- Mr. Partha DeSarkar (Executive Director) – Member*

During the year under review:

The term of Independent Director Mr. Rangan Mohan came to an end on July 03, 2019, thereby ceased to be a Member of the Board and Stakeholders' Relationship and Share Allotment Committee.

Mr. Pradeep Mukerjee, Independent Director of the Company, was appointed as member of Stakeholders' Relationship and Share Allotment Committee on May 30, 2019. Subsequently, Mr. Pradeep Mukerjee resigned from the Board and Stakeholders' Relationship and Share Allotment Committee w.e.f. September 02, 2019.

Mr. Ramkrishan P. Hinduja, Ms. Shanu S.P. Hinduja and Ms. Vinoo S. Hinduja, members of Stakeholders' Relationship and Share Allotment Committee, resigned from the Board and consequently from Stakeholders' Relationship and Share Allotment Committee w.e.f. September 03, 2019.

*Ms. Bhumika Batra and Dr. Ganesh Natarajan, Independent Directors of the Company, Mr. Sudhanshu Tripathi, Non-Executive & Non-Independent Director and Mr. Partha DeSarkar, Executive Director of the Company, were inducted

as members of Stakeholders' Relationship and Share Allotment Committee on September 30, 2019.

As on the date of the last AGM (September 28, 2019), the Committee was yet to be re-constituted in view of changes in Directors. Hence, the Chairman of the Committee could not be present in the last Annual General Meeting.

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. S. Mahadevan, Company Secretary acts as Compliance Officer.

During the financial year ended March 31, 2020, three complaints were received from the Investors/members, which were satisfactorily resolved; and no complaint stood pending against the Company as at March 31, 2020. Status of the complaints received, disposed off and pending on quarterly basis has been reported to the Board on periodical basis along with matters relating to the 'Shares' of the Company. The Committee had approved proposals relating to the allotment of shares under the ESOPs by circular resolutions dated April 23, 2019, July 12, 2019 and November 10, 2019. Further, during the year, one meeting of Stakeholders Relationship and Share Allotment Committee was also held on December 05, 2019, for allotment of shares under ESOP plan.

6. GENERAL BODY MEETINGS

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

AGM	Date	Time	Venue
22nd	September 28, 2017	3:00 PM	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
23rd	September 29, 2018	3:00 PM	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
24th	September 28, 2019	4:00 PM	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018

- No extraordinary general meeting of the members was held during the Financial Year ended March 31, 2020.
- No Special Resolutions were proposed for the approval of the Members at the last three AGMs of the Company held on September 28, 2017, September 29, 2018 and September 28, 2019.

- No Special Resolution was passed during the year ended March 31, 2020. There is no immediate proposal for any Special Resolution to be conducted through Postal Ballot.
- Postal Ballot whenever conducted will be carried out as per the procedure stipulated in Rule 22 of the Companies (Management and Administration) Rules 2014 including any amendment thereof.

7. DISCLOSURES

- A. Transactions entered into with the Related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations during the financial year ended March 31, 2020 were 'in the ordinary course of business' and on 'arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no material significant related party transactions during the year ended March 31, 2020 that may have a potential conflict with the interests of the Company at large. Related party transactions have been disclosed in Note 39 to the standalone financial statements and in Note 40 to the consolidated financial statements. The Company has in place a Policy on dealing with Related Party Transactions and on Materiality of Related Party Transactions which has been uploaded on the website of the Company at the following link: www.teamhgs.com/investors/corporate-policies.
- 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 on 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. No complaint was received during the Financial Year 2019-20.

The said policy has been uploaded on the website of the Company at the following link: www.teamhgs.com/investors/corporate-policies.
- D. Your Company has complied with all the mandatory requirements of Corporate Governance, except as indicated under point 'J' below, as required by the SEBI (LODR) Regulations.

Adoption / Non – Adoption of the non-mandatory requirements of Schedule II of the SEBI (LODR) Regulations:

The discretionary requirements as stipulated in part E of Schedule II of the SEBI (LODR) Regulations have been adopted to the extent and in the manner stated as under:

- **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/investors. Communication by way of letter of the Chief Executive Officer on financial results, interim dividends 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, 2020 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 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 July 31, 2020, to approve the financial statements for the year ended March 31, 2020
 - F. During the year ended March 31, 2020, 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: 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. A Certificate has been received from Ms. Rupal D. Jhaveri, Practicing Company Secretary, (Certificate of Practice No. 4225) that none of the Directors on the Board of the Company has been

debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- number of complaints received: 25*
- number of complaints disposed of: 23*
- number of complaints pending as at March 31, 2020: 2

*One complaint was filed and withdrawn by the complainant before the case started.

J. The Company has complied with all the corporate governance requirements specified in Regulation 17 to Regulation 27 and Clause (b) to (i) of Regulation 46(2) of the SEBI (LODR) Regulations, except the following, for the Financial Year ended March 31, 2020:

In terms of the requirement stipulated in regulation 24(1) of the SEBI (LODR) Regulations, an independent director of the Company is required to be on the Board of Hinduja Global Solutions UK Limited ('HGS UK'), an unlisted material subsidiary. While an independent director of the Company has been attending the Board meetings of HGS UK as an invitee from January 2020 onwards, the Board of Directors of the Company, on September 5, 2020, has nominated an independent director of the Company on the Board of HGS UK.

8. MEANS OF COMMUNICATION

A. The quarterly, half-yearly and annual results are published in leading newspapers (Business Standard/Financial Express and Sakal). The results are simultaneously displayed on the Company's website www.teamhgs.com/ investors. 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 Board's Report.

9. GENERAL SHAREHOLDER INFORMATION

Sr. No.	Subject	Date
1	Next Annual General Meeting (25 th AGM)	
	Date	September 30, 2020
	Time	11:00 a.m.
	Venue	The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated May 05, 2020 and as such there is no requirement to have a venue for AGM. For details, please refer to Notice of this AGM.
	Financial Year	April 01 to March 31
2	Financial Calendar for 2020-21 (Tentative)	
	Unaudited results for the quarter ended June 30, 2020	September 05, 2020
	Unaudited results for the quarter / half year ending September 30, 2020	On or before November 14, 2020
	Unaudited results for the quarter / nine months ending December 31, 2020	On or before February 14, 2021
	Audited results for the year ending March 31, 2021	On or before May 30, 2021
3	Book Closure Date	September 29, 2020 to September 30, 2020 (both days inclusive)
4	Final Dividend payment date for the financial year 2019-20, if approved at the 25 th AGM	Not applicable
5	Listing of Equity Shares	BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, G. Block, Bandra - Kurla Complex, Mumbai - 400 051
6	Stock Code / Symbol	BSE: 532859 NSE: HGS
7	ISIN	INE170I01016
8	CIN	L92199MH1995PLC084610

Note: Annual Listing fee for the financial year 2020-21 has been paid to BSE and NSE.

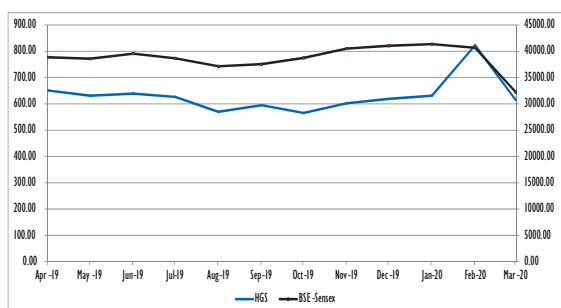
• STOCK MARKET DATA

Month	BSE		NSE	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
Apr-19	683.00	618.00	679.70	618.00
May-19	673.00	605.05	672.70	600.10
Jun-19	698.95	617.00	670.00	620.05
Jul-19	699.95	585.10	647.90	588.00
Aug-19	610.00	535.00	611.90	535.00
Sep-19	629.85	555.00	628.70	550.10
Oct-19	590.20	538.30	587.10	543.90

Month	BSE		NSE	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
Nov-19	643.10	566.15	638.00	566.55
Dec-19	642.95	578.35	639.15	578.55
Jan-20	687.90	581.10	683.90	582.00
Feb-20	1008.00	668.25	1009.90	658.00
Mar-20	837.20	412.20	837.00	412.00

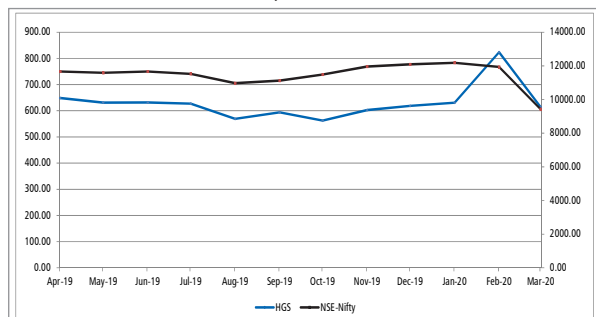
• SHARE PRICE MOVEMENT (BSE)

Your Company's closing share price movement on the BSE relative to BSE Sensex closing prices (April 2019 to March 2020)



• SHARE PRICE MOVEMENT (NSE)

Your Company's closing share price movement on the NSE relative to NSE Nifty closing prices (April, 2019 to March, 2020)



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

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

KFin Technologies Private Limited - R&T Agent

Members are requested to communicate with the R&T Agent at the following address:

Address: KFin Technologies Private Limited
(formerly known as Kavya Fintech Private Limited)
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Hyderabad - 500 032
Tel: 040-6716 2222
Toll Free No.: 1800-3454-001
Fax: 040-23001153
E-Mail: einward.ris@kfintech.com
CIN: U72400TG2017PTC117649

• SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on March 31, 2020, 208,26,815 equity shares, i.e. about 99.82% of your Company's equity shares had been dematerialized.

Authority to, inter-alia, approve transfer of shares in physical form has been delegated by the Board of Directors ("the Board") to the Share Transfer Committee comprising of Executives of the Company appointed by the Board. During the Financial Year ended March 31, 2020, two proposals for transfer of 150 equity shares were received and approved by the Share Transfer Committee; and no proposal was pending for approval at the year end. Share transfer formality is completed within a period of 15 days from the date of receipt in case documents are complete in all respects.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 effective April 01, 2019, except in case of transmission or transposition of shares, requests for effecting transfer of shares in physical form shall not be processed unless the shares are held in the dematerialized form with Depositories. Therefore, shareholders are requested to take prompt action for dematerialization of equity shares of the Company. Communication in this regard has been sent to the shareholders by the Company's R & T Agents.

Pattern of Shareholding as on March 31, 2020:

Particulars	No. of shares	% of shareholding
Promoter and Promoter Group		
a) Domestic	1,12,68,025	54.00
b) Overseas Corporate Body	27,61,427	13.23
FII's	2,405,075	11.53
NRIs/ OCBs/ Non Domestic Companies	107,531	0.51
Mutual Funds, Banks, Financial Institutions, Insurance Companies, Central Government	3,561	0.02
Private Corporate Bodies	730,214	3.50
Individuals/ Others	3,582,515	17.17
*Investor Education and Protection Fund	7,585	0.04
Total	20,865,933	100.00

*Represents shares transferred to IEPF in respect of which dividend was not claimed for seven consecutive years.

Distribution Schedule of Shareholding as on March 31, 2020:

Distribution	No. of shareholders		Shareholding	
	No of share-holders	% to Total	No of shares	% to Total
Up to 500	11,403	93.41	665,147	3.19
501 – 1000	340	2.79	2,58,786	1.24

Distribution	No. of shareholders		Shareholding	
	No of share-holders	% to Total	No of shares	% to Total
1001 – 2000	205	1.68	2,96,434	1.42
2001 – 3000	67	0.55	1,67,196	0.80
3001 – 4000	34	0.28	1,21,588	0.58
4001 – 5000	35	0.29	1,60,274	0.77
5001 - 10000	47	0.38	3,45,313	1.65
Above 10000	77	0.62	1,88,51,195	90.35
TOTAL	12,208	100.00	2,08,65,933	100.00

The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2020, 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 issued in respect of financial year ended March 31, 2020 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.

Credit rating of the Company:

The Company has a long-term rating of CRISIL A+ and short-term rating of CRISIL A1+.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

Payment to Statutory Auditors	FY 2019-20 (₹ In Lakhs)
Audit Fees including Quarterly fees	272.25
Tax Audit Fees	-
Other Services	3.75
Reimbursement of expenses	13.74
Total	289.74

Foreign Exchange Risk and Hedging Activities:

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EUR and CAD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency. The risk is measured through a forecast of highly probable foreign

currency cash flows. The objective of the hedges is to minimize the volatility of the functional currency cash flows of highly probable forecast transactions. The company's risk management policy is to hedge up to 75% of forecasted foreign currency sales for each financial year. The policy is 75% for 1st year, 40% for the 2nd year and 20% for the 3rd year. As per the risk management policy, foreign exchange forward contracts are taken to hedge up to 75% of the forecasted sales/ transactions. The Group's risk management is carried out by a finance department under direction of the Board of Directors. The Group's finance department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides direction for overall risk management as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and managing the liquidity.

In accordance with its risk management policies and procedures, the Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered into for the purpose of being a hedge, the company negotiates the terms of those derivatives to match the terms of the hedged exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship. 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. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions

at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses). When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Transfer of unclaimed dividend and transfer of shares to Investor Education and Protection Fund:

As per Sections 205A and 205C of the Companies Act, 1956, as replaced by sections 124 and 125 of the Companies Act, 2013, and other applicable provisions, unclaimed dividend for the year 2011-12, 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 October 07, 2019.

Dividend for the year 2012-13 remaining unclaimed 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 second week of September 2020 to the IEPF. Members are requested to claim the same at the earliest to avoid transfer of the same to IEPF. Periodic communication is sent to the Members for claiming/ encashment of dividend before the same is transferred to the IEPF.

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, 2019 (being the date of the last Annual General Meeting) on the website of the Company (www.teamhgs.com/investors/corporate-information/details-unclaimeddividend), as also on the website of the Ministry of Corporate Affairs (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, as amended, 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 the IEPF in accordance with the aforesaid Rules. During the financial year 2019-20, 1345 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 (www.teamhgs.com/investors/corporate-information/details-unclaimed-dividend). 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 2012-13 remains unclaimed/ unpaid for a period of seven consecutive years, will be transferred to the IEPF in the second week of September 2020. Relevant communication for encashment of unclaimed 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.

10. 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. S. Mahadevan,
Company Secretary

Address : 1st Floor, Gold Hill Square Software
Park, No. 690, Bommanahalli,
Hosur Road, Bangalore - 560 068.
Tel: (91 80) 4643 1000

Email: investor.relations@teamhgs.com

OR to the R&T Agent of the Company, i.e. KFin
Tech Private Limited (formerly Karvy Fintech Private
Limited)

As a support 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@kfintech.com
to enable the Company to send notices, documents,
communications, Annual Reports, etc. through email
and also advice any changes in their email address
from time to time to the Company's RTA.

For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale

Place : Mumbai

Chairman

Date : September 05, 2020

(DIN: 00013782)

Annexure 'D'

TO THE DIRECTORS' REPORT

Auditors' Certificate regarding compliance of conditions of Corporate Governance

TO THE MEMBERS OF

HINDUJA GLOBAL SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated November 18, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Hinduja Global Solutions Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Basis for Qualified Opinion

8. We draw attention to the paragraph 7 (j) of report on Corporate governance, Clause 24(1) of the Listing Regulations requires atleast one independent director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. During the year, none of the independent directors on the Board of Directors of the Company was on the Board of Directors of the unlisted material Subsidiary Company, Hinduja Global Solutions UK Limited.

Qualified Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, subject to the matter described in the Basis for Qualified Opinion section above, the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

Vikas Bagaria

Partner

(Membership No. 060408)

UDIN: 20060408AAAACA9996

Bengaluru, September 5, 2020

Annexure 'E' to the Directors' Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview

The financial statements and the associated notes to accounts for the financial year 2019–20 have been prepared in accordance to and compliance with the requirements of the Companies Act of 2013, and other related and associated guidelines issued by the Securities and Exchange Board of India (SEBI), along with the generally accepted accounting norms, under IND-AS reporting format, and co-opting all amendments and revisions from time to time. HGS' management accepts the responsibility for the integrity and objectivity of these financial statements as well as for the various other estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner, in order to capture the form and substance of the transactions and reasonably present our state of affairs, profits and cash flows of the year.

Macroeconomic Trends

In January, the International Monetary Fund (IMF) projected that 2020 would be a year of tentative stabilization, with global growth projected to rise from an estimated 2.9% in 2019 to 3.3% in 2020.

However, in subsequent months, the COVID-19 pandemic has dealt an unprecedented and large blow to the world, irrespective of region or size of the country, affected millions of people and claimed hundreds of thousands of lives worldwide. In its most recent estimate (June 2020), IMF has predicted an economic crisis unlike anything the world has seen before with the pandemic continuing to sow uncertainty and businesses around the world struggling to operate amid the virus.

The Great Lockdown is expected to play out in three phases, first as countries entered the lockdown, then as they exit, and finally as they escape the lockdown when there is a medical solution to the pandemic.

The first set of lockdown measures deployed by governments have succeeded in slowing the spread of the virus and in reducing the death toll to an extent. But it also froze business activity in many sectors, widened inequality, disrupted education on a large scale and temporarily wiped out industries such as travel and hospitality.

Many countries are now in the second phase with restrictions beginning to be eased and they are now reopening steadily. But the path to economic recovery remains highly vulnerable to a second wave of infections.

As a result of the pandemic, the global economy is expected to shrink sharply by about 4.9% in 2020. This would mark the steepest downturn since the Great Depression of the 1930's, and uniquely, both advanced and emerging market economies will be in recession in

2020. Global public debt is also projected to cross more than 100% of GDP this year, an all-time high.

The IMF has said that there are significant downside risks to the economy and hence a higher-than-usual degree of uncertainty around its forecast. The world finance body has projected there may be a partial rebound in 2021, depending on the course of the pandemic.

The economic fall-out of COVID-19 depends on factors that interact in ways that are very hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply chain disruptions, repercussions of the tightening in global financial market conditions, shifts in spending patterns, behavioral changes (like people avoiding shopping malls, multiplexes, casinos and public transportation), confidence effects, and volatile commodity prices.

Globally, many countries are facing a multi-faceted crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals and collapse in commodity prices. Effective and proactive policy intervention is essential to reverse worse outcomes. Necessary measures deployed to reduce the contagion and protect lives will take a toll on the economic activity in the short term. But it should also be seen as an important investment in the long-term human and economic health.

The immediate priority for all countries is to contain the fallout from the COVID-19 outbreak by increasing the health care outlays and firming up the capacity and resources of the healthcare sector while adopting measures that reduces the contagion. The economic fallout reflects the acute shocks in most of the sectors. Hence policymakers need to implement substantial and targeted fiscal, monetary and financial measures to support the affected households and businesses. Economic policies also need to cushion the impact of the decline in activity on people, firms and on the financial system, thereby reducing the scarring effects from the unavoidable lockdown led slowdown and ensure that the economic recovery can begin quickly once the pandemic fades.

The economic and fiscal policies would have to support the economic relationships throughout the shutdown and policy initiatives are vital to enable the economic activity to slowly normalize as the pandemic abates and containment measures are lifted. The fiscal response in the affected advanced countries has been swift and sizable. Most of the emerging and developing economies have announced significant fiscal and monetary support by targeting the negatively impacted sectors and the industrial and farm workers.

Going forward, fiscal measures may have to be scaled up further, if stoppages to economic activity persist or the pickup in the economic activity is weak, even after

restrictions are lifted. Broad-based fiscal stimulus and timely monetary interventions will become a necessity to preempt a steeper decline in the business confidence, lift aggregate demand and avert any probability of deeper downturn.

All countries need to work together in tandem to slow the spread of the virus and to develop a vaccine and therapies to counter the disease. Until vaccines become available on a large scale, no country is safe from the pandemic, after the initial wave subsides and if transmission occurs elsewhere through relapse. Prior to the break out of the COVID-19 pandemic, the size of the global economy was about US \$ 88 trillion. It is estimated that about 10% of it has been lost in the last six months. (Source: IMF World Economic Outlook and blogs, OECD report)

Prospects for the major economies are mixed

The most-affected country in the first quarter of 2020, China has seen business activity resuming with the help of large fiscal and monetary stimulus and is projected to maintain a positive but measly growth of 1% in 2020. However, this is a significant reduction from 6% growth in the IMF's January forecast.

Meanwhile, India's economy is forecast to shrink by 4.5% following a longer lockdown and slower-than-expected recovery, much lower than the 5.8% growth rate estimated earlier for 2020.

Advanced economies that are now suffering the worst outbreaks of the virus will bear the brunt of the plunge in business activity. Euro Zone economies will contract by 10.2% in 2020, with hard-hit Italy, Spain, Germany and France all seeing significant contractions. (Source: IMF World Economic Outlook)

United States (US)

The COVID-19 outbreak has brought the longest economic expansion on record to a halt in the US. GDP contracted by 5% in the first quarter at an annualized rate, and the unemployment rate has risen precipitously.

IMF has projected the US GDP to decline by 8% while the US Federal Reserve has said it expects the economy to contract by 6.5% in 2020 and the unemployment rate to be around 9.3% at the end of the year. The policymakers have warned that the economy faces a deep downturn with significant uncertainty about a recovery. A longer recession will mean worse damage on the businesses and job market. Since March 2020, there have been over 40 million applications for jobless benefits and around 22 million people have lost their jobs, increasing the unemployment rate very steeply.

The government's response to the pandemic from an economic perspective has seen a looser monetary policy approach, including cutting interest rates to near zero in March and making trillions of dollars in credit available to banks, financial firms and a wide array of companies. More measures to help maintain income support for the

unemployed and limit business failures will be required. (Source: IMF World Economic Outlook, OECD Economic Outlook and Media reports)

Canada

The Canadian economy is in its deepest recession on record, led by the collapse in economic activity in the first half of 2020, despite unprecedented fiscal and monetary policy stimulus. A rebound is likely in the second half as more of the economy reopens and firms rebuild inventories. But the OECD and other analysts expect GDP growth shrinking by over 8% in 2020. The rate of unemployment will also remain elevated.

The central bank, along with federal, provincial and territorial governments, have responded quickly to the COVID-19 crisis, and a substantial range of monetary, fiscal and structural support is in place. Contingency plans for future outbreaks of COVID-19 are now needed. Policy also needs to ensure that measures already taken are effective, in particular the Canada Emergency Response Benefit (CERB) and Canada Emergency Wage Subsidy (CEWS), given the importance accorded to them. (Source: OECD Economic Outlook and media reports)

Jamaica

The economy got off to a soft start in 2020 due to domestic and foreign demand weakness, with the primary industry tourism witnessing a drop in tourist arrivals in January. The COVID-19 pandemic and subsequent global lockdown has weighed further on tourism, trade and domestic activity. The supplementary budget announced in mid-May of 2020 envisages a larger fiscal shortfall. Government revenues are expected to decline by double digits even as emergency health expenditures as well as social and economic support expenditures rise. Economic activity will be further depressed by the closure of the Alpart alumina refinery weighing on exports. The economy is expected to contract by over 5% this fiscal year. (IMF and media reports)

United Kingdom (UK)

The COVID-19 crisis has led to a severe economic contraction in the UK, with GDP projected to fall by 10.2% in 2020. Weak business and consumer confidence, the rise in unemployment, despite widespread use of furloughing, and the uncertainty about ongoing restrictions are slowing the recovery. Activity is expected to pick up from the third quarter of 2020. Economic measures to tackle the crisis and the sharp fall in revenues will lead to a substantial fiscal deficit.

Earlier in the year, the government swiftly put in place a comprehensive economic support package. Fiscal measures include income support for workers and self-employed, around GBP 330 billion in state loan guarantees to keep firms in business, tax deferrals, and an improved dispute resolution mechanism as an alternative to bankruptcy. But more policy action would

be required to sustain recovery. (Source: IMF World Economic Outlook, OECD Economic Outlook)

Philippines

The COVID-19 pandemic would not only slow the Philippines' economic growth but also render more Filipinos jobless this year. With slower GDP expansion, the unemployment rate in the Philippines is projected to climb to 6.2% in 2020. However, inflation will ease to 1.7%, even as the rate of increase in prices of basic commodities in the Philippines could rise.

Tighter global financial conditions, weaker public confidence and lower remittances are expected to weigh on private consumption and investment. The negative impacts of COVID-19 are expected to be partially offset by policy support. The virus outbreak is assumed to peak in the second quarter of 2020, leading to a gradual recovery in the second half of the year. (Source: IMF reports)

Industry Overview – Business Process Management

The global economy is facing severe compression on account of the COVID-19 pandemic, which is likely to lead to a negative growth in all the developed and developing economies for FY 2021. The twin effect of supply chain disruptions and demand contractions will have a negative impact on the global economy.

As a result of the contraction to the global economy, the revenue visibility amongst the Business Process Management (BPM) companies have diminished noticeably. The outbreak of the pandemic has led to significant disruption to clients' customer's way of life and thus reduced normal interactions and typical volumes. Verticals such as travel, hospitality, logistics, etc., have been especially hit hard.

In addition, the normal business environment and landscape are undergoing massive restructuring and are being transformed by many technological changes and consumer behaviour trends. Multiple factors and cumulative effects of these changes are having a systemic impact on the market place, giving consumers more choices and options. Businesses are constantly looking to identify the right emerging trends and the attendant solutions, so that they can differentiate from the competition.

BPM companies have become a value enabler: To compete better in the market place, many firms are adopting and positioning their businesses, based on their own customer experiences and feedback. They are changing the way their business functions, leaning towards value-driven and technology-led outsourcing model, thereby looking toward Business Process Management (BPM) services firms for their needs.

The global corporations are open to expand and are willing to widen the scope of work with BPM vendors but are expecting the vendors to deliver more value. They are

seeking to expand channels across the customer lifecycle, leverage analytics, adopt automation and integrate the front office with back office operations. The shift from labour arbitrage to value arbitrage in the BPM industry has become the new norm across client industries.

Across the globe, the BPM industry is continuing to experience a digital shift, with a surge in the adoption of some of the disruptive technologies like machine language, artificial intelligence, digital self-service, data-driven insights solutions and bot tools. These digital capabilities are helping clients and their customers with the right unified customer engagement strategy and delivery expertise. This in turn is likely to unlock the transformational potential for optimizing the customer experience and balancing the cost of service with frictionless engagement. The BPM industry is adopting the changes for serving the clients' interests with greater efficiency for higher efficacy. In the coming years, such newer methods of delivery models would be adopted even more aggressively so that new clients can be acquired and existing customers can be mined more aggressively.

COVID-19 pandemic has only stressed the value of technology led solutions, from both BPM companies' and clients' perspectives. Analysts have indicated that more digital technology has been adopted or being used by clients and consumers alike in the last six months than the last few years combined.

Each year, HGS publishes a list of top customer experience (CX) trends - an on-the-ground forecast of what consumers are demanding in terms of their customer service experiences and what brands have to deliver in order to stay competitive in the new year. Some of the predictions that are expected to have a big impact in 2020 include:

1. **Customer Data Platforms (CDP) & Journey Analytics for a 360-degree view:** Customer engagement is fuelled by customer data. But an understanding of customer feedback does not reveal everything about customer experiences. To get the full picture, customer service needs to understand customer behaviour across the ecosystem. The solution is to create a CDP and combine it with customer journey analytics, thus creating a unified 360-degree view of the customer. In 2020, CDPs will give customer care and marketing teams the ability to finally track the history of a customer to deliver hyper-personalized messages, extend tailor-made offers, recommendations, and predict future needs.
2. **Artificial Intelligence (AI) & Automation that enhances Live Agent support:** The customer service industry has always been burdened by costly labour attrition due to the repetitive tasks some contact centre agents are faced with on a daily basis. AI and machine learning (ML) technologies can enhance live agent support and help overcome this industry-wide problem. We expect new customer care

solutions, powered by AI and ML, to bring together the empathy of agents with the efficiency of bots, thus producing an amazing and cost-effective customer experience.

3. **BPM companies rethink business models:** The customer service industry will witness BPM companies disrupting traditional business models by becoming more creative with their value propositions, technology innovation and pricing – such as a total cost of ownership (TCO) approach, gain-sharing models or contractual incentives focused on driving value using innovation.
4. **Mind-blowing Social Media customer experiences:** Today, a new generation of digital natives – Gen Z – is turning to social media for help and expecting more than just a response. The challenge is many brands are seeing a growth in social volume year after year but retain same staffing due to limited budget and resources. Many brands have mastered the basics of simply responding to customers but are now starting to take social care to the next level by leveraging a powerful combination of AI, automation, bots, analytics and the human touch. The teams are also better trained in responding and resolving issues in-channel using a creative brand voice. It results in what we all want – more shares, comments, retweets and a positive brand reputation.

Analysis of the BPM industry:

The global Business Process Management (BPM) spending between 2017-2022 will see a CAGR of 5.1% to reach \$206.7 billion in 2022, according to Gartner. Traditional BPO services led by voice will continue to dominate; however, BPaaS is growing significantly and will likely account for 30% of the spend in 2022.

As per a Nasscom Survey of 100 CEOs 2019-20, the top 2 spending areas for IT and BPM were: digitizing the core business than just silos and enhancing customer experience. Though still amongst the top 5, cost optimization was a much lower priority across the respondents. This trend is expected to continue and maybe increase further, especially with new demands for digital technology-led solutions arising from the COVID-19 pandemic.

Review of the Indian BPM industry:

In FY2020, the Indian BPM industry is estimated to have grown at 8.2% to reach US\$38 billion in revenue, accounting for ~38% of global BPM sourcing.

Exports grew by 8.4%, higher than industry average; a notable point is that exports have seen an incremental addition of ~US \$ 9 billion in the last five years. The US and the UK remain the largest markets, while APAC is emerging as a new growth region. In terms of verticals, BFSI, life sciences and healthcare were the key growth drivers, and are expected to create huge opportunities in the next few years too.

Domestic BPM grew 6.8%, driven by higher traction from healthcare and BFSI verticals, and supportive government policies. Domestic Finance & Accounting (F&A) and Human Resources (HR) segments are witnessing positive momentum.

From BPO vendors' perspective, they are seeing a convergence of business services and digital technologies, with companies focusing on building technology capabilities related to automation, analytics and cloud, and creating new focused revenue streams and business models. BPM vendors are witnessing huge opportunities; as digital technologies continue to be embedded in an ever-widening range of services. They are focusing on customer experience and delight by migrating the processes to BPaaS (Business Process-as-a-Service offerings) and making automation and analytics an integral part of the delivery model.

From clients' perspective, there is a big push for adopting automation, design thinking and cognitive solutions. The result has been a steep decline in legacy traditional services and a shift in service delivery mix.

The BPM industry in India is hoping to move the mix from 90% traditional: 10% new age capabilities to 20% traditional: 80% new age capabilities in the next few years. (Source: Nasscom IT/ BPM Strategic Review 2020 – Techade)

Review of Philippines BPM market: The Philippines BPM industry continues to prosper as more industries look to outsource and offshore different specialized functions. With an enviable reputation as a provider of affordable, efficient offshore resources and the close cultural alignment to the West, the sector has now become the single biggest contributor to the country's economic activity and employs 1.3 million workers.

In end-2019, the IT and Business Process Association of the Philippines (IBPAP) released the recalibrated growth figures of IT/BPM Roadmap 2022. The 2022 revenue target has now been revised downward to a range of \$29 billion to \$32 billion from the earlier goal of \$38.9 billion. IBPAP and Everest Group have said that the expected revenue CAGR for 2019 to 2022 is between 3.5% to 7.5%. Under the old roadmap, the IT-BPM sector was expected to have 1.8 million direct employees by 2022; this is now revised to around 1.5 million employees.

In 2019, the Philippine BPM industry grew modestly. While revenues from contact centres, which are primarily voice, are still growing, the non-voice segment of the industry (which includes technical outsourcing services for Healthcare, IT and KPO) has shown strong growth and is likely to grow in the coming years. (Source: ITBPAP, Media reports in the Philippines)

Some of the recent trends that are observed in the verticals, where HGS has exposure:

Healthcare

The various stakeholders of the healthcare vertical are implementing the payment reforms like value-based payment models, as this is likely to help providers, payers and patients realise the best outcomes at the lowest costs. Besides, technology-enabled patient engagement strategies are enabling increased financial independence for patients in their healthcare decisions, in addition to improving interactions with the health care systems. Governments are also moving the needle by adopting universal health coverage and introducing pricing controls on pharmaceuticals and medical technology devices. Population health management is being used to identify people's healthcare and offer medical care accordingly.

It's been a difficult period for the last couple of years for the global healthcare industry, and more so in the US, which has to deal with number of reforms and policy changes in relatively quick succession. The healthcare industry has also had to accept and adopt new business strategies in a 'patient becomes the center of care' approach.

The healthcare industry globally, and specifically in the US, has embraced rapid technological disruptions and accepted mergers and acquisition activities as the new normal. The industry is looking for innovative, cost-effective ways to deliver patient-centered and technology-enabled services with quality outcomes.

According to Deloitte's Global Healthcare Report, the global healthcare spending is projected to increase at an annual rate of 4.1% in the period of 2017-2021, up from just 1.3% in 2012-2016. In fact, the combined healthcare spending in the world's major regions is expected to reach US \$8.7 trillion by 2020, up from US \$7 trillion in 2015.

Increase in spending is being led by the ever-growing population, along with growing number of well-to-do people in the higher age bracket, advances in medical treatments leading to higher life expectancy and rising labor costs and cost of treatment.

In the US, the healthcare spending now exceeds US \$3 trillion p.a., with growth rates expected to accelerate through 2024, with main spending segments being hospital care (about US \$1 trillion) and physicians (about US \$635 billion). With the outbreak of COVID-19, the healthcare spending is only going to increase as the cost of the medications are on the rise.

Some of the emerging trends in healthcare include:

- The healthcare Industry has been making progress in moving the patient closer to the center of the healthcare ecosystem. The goal is to constantly improve the patient satisfaction scores and engagement.
- The shift is not just about creating or re-imagining innovative range of services and technology, but it is also about giving the consumers access to decision

support tools, wellness and participation in programs that reward healthy behaviors.

- Both the payer and provider, and the various constituents in the ecosystem, are likely to focus more on areas like population health management, chronic disease management, and will invest in capabilities, capacities and infrastructure to support unified, multi-channel customer engagement.
- The healthcare industry generates large amounts of data, and the next frontier is to analyze this data to unearth insights and trends to drive transformation and cost reductions. Both payers and providers are likely to invest considerably in strengthening their analytical capabilities. This will enable them to convert data into an actionable information, likely to benefit the industry and the customers. According to Deloitte's Global Healthcare Outlook report, the hospital expenditures on analytics are set to reach about US \$19 billion by 2020, up from US \$5.8 billion in 2015.
- With the need for higher market stability becoming a necessity, consolidation in the industry through mergers and acquisitions has become a natural extension. Partnerships with many service providers within the ecosystems are set to accelerate. More provider organizations are expected to build and manage their own health plans, offering patients an integrated approach of medical services and insurance coverage.
- The providers will seek more efficient ways to collect what they are owed and mitigate the negative effects and costs of high denial rates. There will be an increased focus on reimbursement via electronic transactions, with automation being part of the solution.
- Healthcare continues its transition from fee-for-service reimbursement to outcomes and value-based payment models. The focus is on maximizing value, lowering of costs and delivering higher quality – through alignment of incentives and management of risk.
- Healthcare industry is progressively advocating to a healthcare model, focused on prevention and an overall holistic health of populations, rather than undertaking intermittent health checks leading to transaction-based treatments of patients. The consumers have embraced this model, devoting more time and money to staying healthy – including use of apps and wearables.

The new reality of balancing a rapidly-changing and complex healthcare industry with growing consumer expectations is likely to grow demand for healthcare BPM services.

According to Markets and Markets, the healthcare BPO market is estimated to grow at a CAGR of 10% from 2017 to 2022 to reach US \$312 billion by 2022 from US \$ 192 billion in 2017. (Source: Markets and Markets' report on Healthcare BPO Market Provider)

Telecom and Media

There is a continuous churn in the telecom industry, where content providers, social media, app makers are forcing the telecom service providers to go beyond their traditional role to become broadcasters and content creators. These trends are driven by the various ongoing technological innovations in areas like artificial intelligence, machine learning, augmented reality, virtual reality, cloud computing, alternative pricing, which are driving the market.

Growth of mobile connectivity has far outpaced the fixed line connectivity, led by growth in developing world and amongst the not so well to do populations of the society. When it comes to adding subscribers, fixed line connectivity is facing an existential crisis, and it might go out of business in the next one decade. In India, fixed line subscribers are returning their connectivity back to service providers. No wonder, mobile penetration has reached 80 – 85% in many of the industrialised countries and India is no exception.

4G LTE deployment, network upgrades and even 5G trials and roll out in some of the developed countries like US, Japan, China, Korea have gained momentum. With real-time social media services and video streaming platforms helping in sky-rocketing mobile data usage of consumers, similar applications like augmented reality and virtual reality have started to push the demand further.

Addition of artificial intelligence competencies to smartphones is likely to bring the next shift in technology. Artificial intelligence allows smartphones to perform sophisticated functions like speech recognition, inter-city navigation help, and even learning the daily routine tasks and preferences of an individual to become a digital assistant. Though some of these technologies are already prevalent, it has still not reached a wider section of the population as smartphones have to replace significant number of feature phones in some of the most populated developing economies.

Telecom service providers are focusing on customer retention and churn, in the face of falling ARPUs, leading to falling of revenues and profits, led by market saturation and the disruptive rise of the “Over the Top” (OTT) operators. In order to combat the present situation, the telecom operators are undertaking a range of initiatives to retain customers, by offering bundled services like Fintech, videos on various present-day issues, lifestyle plans, and finally hyper-competitive pricing to induce and retain.

The concept of customer delight while interacting is acknowledged and has gained acceptance, with the digitization in customer support going mainstream. Some of the tools like self-service, based on Machine Learning trained knowledge-base, real-time chatbots and voice apps for customers to explore or/and buy content by speaking are growing in usage, thus reflecting the demand for service personalization.

HGS has no exposure in the Indian telecom market as we sold the India Domestic CRM business in January 2020. HGS' telecom and media vertical exposure is mainly in Canada, US and UK.

Consumer and Retail

The traditional brick and mortar consumer facing industry is going through a disruption, with the rise of the new retail format. Digitization is reshaping the shopping behavior of consumers, with the “tap of the button technology”. This is allowing consumers to lead their experiences – from real-time access to product information and reviews, to benchmarking against competition to the actual buying phase, in both the physical and online channels. The point of engagement and the point of transaction are all converging and congregating, with an emphasis on whether the recommended brand can offer personalization, instant gratification and high access.

This is driving consumer packaged goods and fast-moving consumer goods companies, e-tailers and modern retailers to accept and adopt new initiatives and technologies to better understand and engage with consumers.

The companies are taking advantage by being early adopters of trends like the internet of things, and block chain to digitally transform and deliver the experiences that consumers expect. The consumer goods companies are leveraging social media and other digital channels like Chatbots and video assists to engage directly with the consumers. With customer experience becoming more important than ever, the “experience per square feet” could soon be the new retail metric to measure success, alongside revenue per sq. feet, and foot falls during the non-peak seasons. There is a high chance that 80% of all transactions in the consumer industry will be based on artificial intelligence services in the next two years.

Banking, Financial Services and Insurance (BFSI)

The Banking, financial services and insurance (BFSI) companies are amongst the most consumer facing. However, banking and non-banking finance companies have been slowed down by legacy challenges in technology adoption and bureaucratic set-up. Hence these firms experience difficulties in handling the evolving customer relations trends.

As a result, the banking and non-banking companies are experiencing competition from Fintech firms, retail chains, internet service providers, Near Field Communications payment gateway systems, who are leveraging technology to provide simple and cost-effective services. BFSI firms are focusing attention on innovation by leveraging technologies like biometrics and robotic process automation to drive efficiency and faster response for selling insurance and non-banking products like mutual funds. Banks are now looking for new revenue streams and ways to unlock the value of

the enormous amount of customer data that is currently stored in the servers. They are open to using Application Programming Interfaces to monetize their digital assets and data, leveraging the Banks as a Platform (BaaP) model, which directly links to Fintechs for their innovative solutions, investing in augmented reality to provide enhanced customer experience, and adopting block chain and distributed ledger technology.

With mobile devices (including tablets and high-end smartphones) becoming a channel of choice for consumers, BFSI firms are investing on mobile platforms to deliver a personalized and anytime-anywhere availability. These firms are also investing in new value-added services like online channels and loyalty programs to increase the customer base. Digital services offer an opportunity to maximize revenue by target profiling and proactive selling. It is already being experienced and it is likely to get stepped-up, as BFSI-targeted BPM services are likely to grow noticeably, led by demand for providing an Omni-channel services that are mobile, social and personal, with differentiated customer service and programs specific to high-value consumers. Self-service is another solution that can be leveraged to increase revenues through cross-selling/up-selling.

BFSI companies are now exploring enhancing their consumers' IVR experience by placing visual menus on the company website or smartphone apps. Visual IVR provides consumers with a convenient menu-driven interface to the IVR, allowing them to quickly select the options they need, thereby saving valuable time.

Public/Government

With consumers, especially from the Y-generation and millennials, expecting customer service from the public sector to be on par with the private sector, the government departments and related organizations are revamping their outreach programs. The sector is moving toward providing more customer friendly and interactive services, leveraging tools such as Omni-channel to increase accessibility to end-consumers. Apart from strengthening customer relationships, these tools help governments to synchronize and store data. Several PSU banks are offering services, which are not significantly different to the tech savvy private sector banks in India, in the money transfer space.

The BPM service providers for the public sector support governments to perform various functions such as e-governance initiatives, taxation, asset registration, pensions and welfare programs, including financial assistance for the unemployed, in a cost-effective manner.

The government organizations are looking at how to leverage technology and BPM services to digitize and automate processes as well as to use this stored data to create a more efficient, productive, cost-effective and user-friendly system, for both internal and customer-

facing. The objective of the exercise is to widen the scope of activities and deliver a superior customer experience, even as the organization's internal resources focus on core activities.

Business Overview

Hinduja Global Solutions (HGS) is part of the multi-billion-dollar Hinduja Group, which has operations worldwide.

HGS is a global leader in business process management (BPM) services' business by optimizing the customer experience lifecycle. HGS' mission is to help make its clients' operations efficient, thereby making them more competitive in the market place. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centres, and HRO/Payroll solutions to deliver transformational impact to clients. By applying analytics, automation and interaction expertise to deliver innovation and thought leadership, HGS increases revenue, improves operating efficiencies and helps clients retain valuable customers. HGS' expertise spans the healthcare, telecommunications media, insurance, banking, consumer electronics, packaged goods industries, retail, technology and public sector.

HGS operates on a global landscape with 37,460 employees at the end of FY 2020, with 61 delivery centres worldwide, delivering localized solutions. HGS has a strong presence in India, Philippines, UK, US, Canada, Jamaica and MENA.

Revenue by Origination

In FY 2020, US-originated business accounted for 71% of total revenues, as compared to 71% in FY 2019. The trend of US-originated revenues continued its linear path for the 6th year in succession. In FY 2014, the US-originated revenues were at 59%, which has increased to 71% in FY 2020. US-originated revenues are delivered from centres based out of US, India, Philippines and Jamaica.

In FY 2020, business originating from Canada in CAD terms was 11% while UK-originated business in GBP was at 6%.

Onshore to Offshore Revenue Mix

Revenue rebalancing initiative between onshore to offshore/near-shore, which HGS undertook a few years back, is gaining the desired outcome. In FY2014, Onshore revenues to Offshore/Near Shore ratio was 63% to 37%. This has now changed to 54% to 46%. The offshore/near shore ratio has improved by 885 Basis Points over the past 6 years.

Voice to Non-Voice Revenue Mix

In FY 2014, Voice CRM revenues accounted for 79% of total revenues. The share of Voice CRM revenues declined to around 73% in FY 2018, and at the end of FY 2020, stood at 64%.

Digital Revenues accounted for around 8.3% of FY 2020 revenues while the balance revenues came from transaction processing.

Revenue by Vertical

Healthcare vertical sustained its growth momentum in FY 2020 as well. In terms of contribution, it accounted for 54% of FY 2020 revenues, up from 46% in FY 2017. The revenue buoyancy from the healthcare vertical has remained reasonably strong over the past many years, with growth across on-shore, near shore and offshore delivery.

Share of the telecom & technology vertical has fallen from 20% in FY 2018 to around 16% in FY 2020. This drop is on account of the exit of India Domestic CRM Business in end January 2020, drop in volumes and due to the decision taken by the management to exit some of the low profit making and sub-scale accounts.

The share of revenues from the Consumer vertical dropped from 14% in FY 2017 to 13% in FY 2018, and at the end of FY 2020, it was at 11 %

The share of revenues from BFS vertical increased from 7% in FY 2017 to 9 % in FY 2020.

The share of revenues from other verticals was at 11% at the end of FY 2020, as against 10% in FY 2019.

Discussion on Financial Position

Property, Plant, Equipment and Intangible assets:

The net block of assets as of March 31, 2020 was ₹ 6,138 million as compared to ₹ 6,973 million in March 31, 2019, representing an absolute decrease of ₹ 835 million during the year under review and in percentage terms, it was 12%.

The Group has adopted the Indian Accounting Standard 116 on Leases (Ind AS 116) notified by the Ministry of Corporate Affairs, with the date of initial application being April 1, 2019. Ind AS 116 replaces the existing lease standard Indian Accounting Standard 17 on Leases (Ind AS 17) and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019.

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹ 6,976 million (including deferred rent of ₹ 299 million), lease liabilities amounting to ₹ 7,738 million and ₹ 640 million (net of deferred tax assets of ₹ 344 million) debited in retained earnings as at April 1, 2019. The Right to use asset balance as at March 31, 2020 is ₹ 7,798 million.

Goodwill:

As of March 31, 2020, goodwill was ₹ 3,392 million as compared to ₹ 3,355 million in March 31, 2019. Goodwill is tested for impairment. During FY 2020, wrote off ₹ 179 million of Goodwill and ₹ 32 million of Intangibles.

Investments (Non-current):

It mainly comprises of Treasury bills at overseas location. As of March 31, 2020, investments were ₹ 103 million as compared to ₹ 145 million in March 31, 2019.

Loans (Non-current):

As of March 31, 2020, the amounts were ₹ Nil as compared to ₹ 849 million in March 31, 2019. As at March 31st, 2019, it comprised of loan given to a third party at an overseas entity. The reduction is due to re-classification to Loans (Current).

Other financial assets (Non-current):

It comprises of security deposit, margin money deposit and other long-term deposits. As of March 31, 2020, the amounts were ₹ 610 million compared to ₹ 676 million in March 31, 2019.

Deferred tax assets (net) [DTA]:

DTA as of March 31, 2020 were ₹ 1,048 million as compared to ₹ 418 million in March 31, 2019. This comprises of ₹ 323 million on account of right of use of asset & lease liability pursuant to transition to IndAS 116 – Leases and ₹ 238 million on account of cash flow hedges.

Income tax assets (net):

As of March 31, 2020, the amounts were ₹ 827 million as compared to ₹ 614 million in March 31, 2019.

Other non-current assets:

Other non-current assets include of capital advance, prepaid expenses and other receivables. As of March 31, 2020, the amounts were ₹ 276 million as compared to ₹ 530 million in March 31, 2019.

Trade receivables:

As of March 31, 2020, trade receivables from customers were at ₹ 9,893 million as compared to ₹ 11,662 million in March 31, 2019, after making allowance for doubtful debts.

Cash and Bank balances:

As of March 31, 2020, cash and bank balances were at ₹ 5,349 million as compared to ₹ 3,274 million in March 31, 2019.

Loans (Current):

As of March 31, 2020, the Company has given short term loans aggregating ₹ 4,323 million. Out of this amount, ₹ 3,400 million of loans were given during the year in the form Inter Corporate Deposits (ICDs) as short-term investment surplus. These ICDs loans are made in accordance with the Section 186 and other applicable provisions of the Companies Act, 2013. The balance represents a loan given by an overseas subsidiary in the earlier years now re-classified as Current.

Other financial assets (Current):

It comprises of security deposit, interest accrued and derivative gains. As of March 31, 2020, the amounts

were ₹ 165 million as compared to ₹ 278 million in March 31, 2019.

Other current assets:

The Other Current Assets comprises of balance with government authorities, vendor advances and prepaid expenses. As of March 31, 2020, the amounts were ₹ 747 million as compared to ₹ 863 million in March 31, 2019.

Share Capital:

The authorized share capital of the Company is ₹ 276.5 million comprising of 27.5 million equity shares of ₹ 10 each and 0.15 million 1% participatory redeemable non-cumulative preference shares of ₹ 10 each. The paid-up share capital as of March 31, 2020 was ₹ 208.66 million, an increase of 26,989 shares compared to the previous year. The Company issued 19,308 equity shares pursuant to the exercise of stock options by certain employees under the "Employees Stock Option Plan, 2008" and 7,681 equity shares pursuant to the exercise of stock options by certain employees under the "Employees Stock Option Plan, 2011".

Other Equity:

The Other Equity of the Company increased from ₹ 16,227 million in March 31, 2019 to ₹ 16,986 million in March 31, 2020.

Borrowing (Non-current):

As of March 31, 2020, the total long-term borrowings were ₹ 3,020 million as compared to ₹ 3,702 million in March 31, 2019. The Company has repaid gross debt of ₹ 669 million from the operating cash flows during FY 2020.

Lease liability:

The Group has adopted IndAS 116 - Leases with the initial date of application being April 1, 2019. Accordingly, the Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability. Accordingly, as of March 31, 2020 the non-current and current portion of the lease liability was ₹ 7,291 million and ₹ 1,149 respectively.

Other financial liabilities (Non-current):

Other non-current financial comprise of deferred consideration payable pursuant to an acquisition and fair valuation of cash-flow hedges. As of March 31, 2020 the amounts were ₹ 533 million as compared to ₹ 286 million as at March 31, 2019.

Provisions (Non-current):

Provision comprises of pension obligation and gratuity (as per actuarial valuation performed by an independent actuary). As of March 31, 2020, provisions were ₹ 1,331 million as compared to ₹ 756 million in March 31, 2019.

Deferred tax liabilities (net) [DTL]:

DTL as of March 31, 2020 were ₹ 271 million as compared to ₹ 139 million in March 31, 2019. Major components of DTL are due to temporary differences on Property, Plant and Equipment and Hedge reserve.

Other non-current liabilities:

It comprises of Income received in advance from a customer. As of March 31, 2020, the amounts were ₹ 15 million as compared to ₹ 77 million in March 31, 2019.

Borrowing (Current):

As of March 31, 2020, the total short-term borrowings were ₹ 1,970 million as compared to ₹ 1,603 million in March 31, 2019.

Trade Payables:

As of March 31, 2020, the trade payables were ₹ 2,818 million as compared to ₹ 2,412 million in March 31, 2019.

Other current financial liabilities:

Other current financial liabilities comprise current maturities of long-term debt and lease obligations, Interest accrued, capital creditors, unpaid dividend, employee related payables and derivative loss. As of March 31, 2020, those amounts were at ₹ 3,374 million as compared to ₹ 2,627 million in March 31, 2019.

Provisions (Current):

Provision comprises of pension obligation and leave encashment liabilities (as per actuarial valuation performed by an independent actuary). As of March 31, 2020, provisions were ₹ 578 million as compared to ₹ 528 million in March 31, 2019.

Current tax liabilities:

As of March 31, 2020, the amount was ₹ 301 million and as at the end of March 31, 2019, the amount was ₹ 111 million.

Other current liabilities:

Other current liabilities comprise of advance from customers, statutory dues payable and deferred revenue. As of March 31, 2020, the amounts were ₹ 748 million as compared to ₹ 823 million in March 31, 2019.

Operational Review

During the year under review, from time to time, the Company has been communicating to all its stakeholders, that the focus of the Company is to grow the profitable businesses, re-price or exit unprofitable accounts and sub-scale or sub-optimal contracts, generate free cash flows, reduce debt, undertake cost rationalization from time to time, and improve return ratios.

Looking at the financial numbers of the year under review, FY 2020 has seen organic revenue growth of 9.5%, as against 11.3% achieved in FY 2019. Of the growth over FY 2019, 1.9% is on account of exchange variations.

The revenue growth was led by volume growth from the top 10 clients and new clients that HGS won in the last financial year in verticals like healthcare, telecom & media and financial services.

On the profitability side, EBITDA margins (computed excluding Other Income) have improved significantly by 62.4% on account of adoption of IndAS 116 – Leases and

cost optimization, cost rationalization and by improving the utilization rates.

In the current year, the Group, for the first time, has applied IndAS 116 Leases as issued by the Ministry of corporate affairs(MCA) in March 2019. The Group has applied the new requirements to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

Pursuant to the above, there has been an increase of ₹ 1,531 million in depreciation and amortisation expense, increase in finance cost of ₹ 693 million and decrease in other expenses of ₹ 1,788 million. The overall impact on the above is decrease in profit before tax of ₹ 436 million during the year.

During FY 2020, from the free cash flow generated, the Company Increased Cash & Cash Equivalents by ₹ 1,700 million, enabling the net debt to equity at 0.35x in FY 2020 as against 0.36x in FY 2019. Overall Debt at the end of FY 2020, stood at ₹ 6,042 million as against ₹ 5,911 million in FY 2019.

Key Financial Ratios

Ratios	FY 2020	FY 2019
Debtors Turnover	4.9	4.8
Current Ratio	1.9	2.0
Debt Equity Ratio	0.3	0.4
EBITDA Growth	62.4%	8.6%
Interest Coverage Ratio	4.4	7.1
Operating Profit Margin	7.4%	5.1%
Net Profit Margin Growth	16.6%	-11.4%

The above ratios represent the key financial ratios, as applicable to the Consolidated financial statements of Hinduja Global Solutions Limited. The ratios on EBITDA Growth, Interest Coverage, Operating Profit and Net Profit is significant, as defined under the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations i.e. over 25% compared to previous year. This change in EBITDA, Operating Profit and Net Profit ratios was partly due to adoption of Ind AS 116, improvement in performance of healthcare business, improvement of the business in Canada and improvement in the performance of the India Domestic CRM business during the period April 1, 2019 to January 31, 2020 (being date of sale of the business). Further, the decrease in interest coverage ratio is due to the increase in interest expense on account of lease liabilities on adoption of Ind AS 116 effective April 1, 2019.

HGS continues to win new business from existing and new clients in North America, which comprises of Canada and the US. The US operations had good wins in telecom & media, financial services and healthcare sectors. In Canada, HGS expanded business in telecom and media vertical.

During FY 2020, we have significantly expanded our home agent footprint in Canada, which is helping HGS

overcome labor shortages that we have faced in Canada in the past.

Jamaica continues to be an attractive near-shore location for the company, mainly due to its proximity to the US and available talent pool. During FY 2020 Jamaica revenues grew by over 20% over FY 2019. There is scope for further growth with increase in utilization of existing capacities.

Revenues from the UK in FY 2020 were around 3% higher than the previous year.

The HRO business continues to do well and add clients for its payroll processing, staffing and compliance services. Revenues of the HRO business grew by about 28% in FY 2020. This business, which began with payroll processing, has steadily expanded its services offering to include compliance services, staffing, managed services, recruitment and finance & accounting services.

Philippines continued its business expansion, reporting a 11.5% YoY growth in PHP terms. HGS expanded its Iloilo centre while consolidating its centres in Manila at its new Bridgetowne centre in FY 2020. The healthcare and financial services verticals were the primary drivers of growth in this region.

Globally, the Company has initiated steps to achieve better utilization and cost management measures such as site consolidation wherever appropriate. Given the uncertainties in the business environment and time taken to implement the cost rationalisation measures, the capital expenditures will be linked to the demand construct and expectation.

Over the last many years, HGS has made significant investments in developing new capabilities such as Robotic Process Automation, digital services like social care and DigiCX, analytics, work at home and platform services. These investments are showing results and HGS is engaged in several engagements related to this area and signed digital-led contracts with 28 clients in FY2020.

The feedback that we have received from our clients over the last three years has been encouraging. Based on the demand, HGS will continue to focus on providing its clients with differentiated experience, led by technology-based solutions.

HGS has set up an automation centre of excellence in Bengaluru, which is supporting several client engagements in healthcare and banking and finance. This center of excellence is helping provide value addition to clients through robotic process automation, artificial intelligence and analytics to drive cost takeout and higher customer experience transformation. The work normally involves automating several large processes like claims and contract transactions, data verifications which are routine, and deploying chatbots and virtual agents, etc. HGS plans to scale up these segments significantly in the coming years, both in capability and deployment.

HGS' digital offerings continued to gain traction in the year. During the last financial year, the company has signed numerous engagements to deliver digital

transformation to clients as they stride through an ever-evolving consumer market. In analytics, apart from using speech and text analytics tools for several clients, HGS has started supporting clients in healthcare with predictive and prescriptive analytics.

Looking ahead, HGS is focusing on enhancing the product portfolio further by investing in technology services and re-skilling people. The traction for these solutions and the use of automation and analytics internally within HGS is expected to add non-linearity.

In line with this, HGS launched the HGS Digital brand in September 2019, bringing together all our capabilities in digital under one umbrella.

Rationale for selling the India Domestic business

HGS has been in the India domestic CRM business for more than 15 years. In 2015, HGS acquired a book of business to supplement the organic book of business to add scale. Nevertheless, our optimism at that time hasn't played out the way we had expected. The last couple of years have been challenging, especially in terms of delivering a consistent financial performance. The India domestic CRM business has been telecom heavy and at its peak accounted for about 80% of the total revenues in India.

The challenges in the Indian telecom sector impacted HGS. Consequently, lower volumes led to revenues from the India domestic CRM business dropping from ₹ 4,320 million in FY 2018 to ₹ 3,460 million in FY 2019 and to around ₹ 2,900 million (for the 1HF FY 2020 annualized). India domestic CRM business' share of HGS' overall revenues has halved from around 11% in FY 2017 to about 5.6% for H1 FY 2020. The share of profits from this business also decreased. The overall financial parameters of the India domestic CRM business like margins and return on capital employed were lower than our overall expectations and in the long run was not meeting our criteria for allocation of capital.

As the Indian economy was steadily slowing down, HGS management believed that this business was no longer a strategic fit in the overall business portfolio.

In the light of this and after careful evaluation, the Board of HGS approved the sale of the India domestic CRM business. On November 28, 2019, HGS signed a business transfer agreement (BTA) with Altruist Technologies for a consideration of ₹ 400 million. In addition, all the working capital proceeds would also accrue to HGS. HGS took the decision to divest in order to align to our goal to evolve into a technology-led BPM services provider with a focus on global BPM services and digital technology.

On the financial aspect of the sale, the transaction value was ₹ 400 million. In addition, the working capital like receivables, rental deposits of facility and certain liabilities amounting to ₹ 600 million have accrued to HGS.

We expect the exit of India domestic CRM business to significantly improve the financial parameters like margins, return on capital employed and revenue per employee, as well as help us deliver a more consistent

performance. The release of capital and freeing up of management bandwidth would also help us focus on growing businesses such as the India offshore business, HGS Digital and HGS Business Services.

Delivery Centres

At the end of FY 2020, HGS had 61 delivery centres in seven countries, down from 73 centres reported in FY 2019. This drop in the number of delivery centres is on account of consolidation of some centres and sale of the India Domestic CRM business, which had 9 delivery centres.

Customer Additions

During FY 2020, HGS signed 59 new clients across BPM and HRO. The total number of active clients at the end of FY2020 was 221 BPM clients and 686 HRO/payroll / F&A clients. The sale of the India Domestic CRM Business resulted in exit of 32 clients across BPM services.

Human Capital

HGS had a headcount of 37,460 as of March 31, 2020 as compared to 42,190 at end of FY 2019. The change in headcount is primarily on account of the sale of the India Domestic CRM business in end January 2020, which resulted in reduction of headcount of 7,000.

With an objective to build HGS into a high-performing, results-oriented organization, our human capital philosophy revolves around our people – their needs, skills, work and the value they bring. Our approach focuses on how to attract and retain the most suitable talent across the company even as we create an inclusive, productive, fun-filled and healthy culture. HGS leveraged defined levers and benchmarked practices, which include business unit-level events, rewards & recognition programs, regional and global townhalls, skip-level meets, training initiatives and community service initiatives to communicate and engage with our employees regularly. These programs commence from pre-recruitment, onboarding and training, and through the entire employee life cycle. We also have built a strong connect with our alumni, many of whom have joined us again.

HGS' people policies and practices are helping establish us as a preferred employer. During FY2019-20, we conducted our Employee Satisfaction (ESAT) Survey and received a significant 76% response rate, despite the disruption on account of COVID-19. The overall employee experience index (EX Index) for the year increased to 58.7, up from 56.0 last fiscal. In the context of what's happening around us, especially led by the pandemic, this is a commendable achievement and positions HGS very well in the market.

As a company operating in a people-centric industry, HGS is focused on evolving our workforce to align with the changes in client needs, market trends and technology adoption. We continue to invest in our employee competency development by enabling positive behavioural changes that result in improved individual, team and organizational performance. During FY 2020, HGS continued to upskill a significant part of the delivery

operations team through the Ready Now initiative. This customized program covers all levels up to managers, and covers topics such as business and financial skills, functional and training skills, client handling skills, people skills, time management, etc. With the pandemic impacting the way we work, led by remote working and social distancing, HGS is focusing on the skills required to efficiently work in the new environment. We have improved our training on digital skills including AI, analytics, automation and big data, using virtual tools productively, empathy skills, work from home delivery, etc., as we believe that showcasing Emotional Quotient (EQ) and Virtual Quotient (VQ) for both external and internal audiences are much-needed skills during this period.

HGS is also leveraging technologies like automation, machine learning and social media to re-engineer our recruitment process by leveraging a customized Recruitment Management System (RMS) for not only sourcing and hiring the right way, but also for engaging with the talent community.

HGS' response to COVID-19

COVID-19 has impacted business and people alike. The past few weeks, since mid-March 2020 when the pandemic became a global crisis, have been both extraordinarily difficult and inspiring for HGS as a company. With things happening so fast, and different guidelines and messages being announced in the different geos we operate in, it's been an unprecedented situation.

Our Business Continuity Plans are operating in full force with new playbooks being defined in real time—

- Employees' safety and health is the topmost concern and drives our actions
- Proactive outreach to clients, proposing actions including preventative measures, communication and back up to their customers. Most clients have been very supportive and gave quick approvals to shift agents to work at home model.

Currently, we have a majority of our employees globally working from home while a couple of thousand are working in a 'Stay at Office' model in Philippines and some others, who cater to essential services, are working from office locations - where we are strictly following social distancing and hygiene measures.

- HGS teams led by Operations, IT, Human Resources, and Procurement enabled the work from home shift in just a few days between last week of March and April.
- In India, we have started the un-lockdown process after the government gave approvals to allow a specific percentage of employees to work from the office. Currently we have a few hundred employees across our centers in Bangalore and Hyderabad coming to the office.

HGS has been doing well in terms of delivering support to clients in this period. Client feedback has been very

good and we have received several thank you messages via emails, videos and social media.

Enterprises and clients are looking to leverage technology a lot more today, with increasing virtual-based opportunities.

- HGS has repackaged some of its solutions to cater to an environment dealing with the impact of COVID-19 and where business continuity is top of mind. These include our nursing triage services, and digital-led solutions such as Work@Home™, Social Care and Digibots™ that can be deployed to engage with employees in a virtual platform.
- HGS has deployed one of the Digibot™ solutions, a mobile-based, self- diagnosing bot called 'HGS QuickEntry' within our organization, to enable our employees to screen for any health issues before reporting to work.

Compliance

HGS has implemented a robust Compliance framework to identify, assess, monitor, control and report compliance status with respect to the applicable laws and regulations specific to the geography in which it provides services. Applicable laws and regulations, including Employment and Labour laws, in countries where the Company operates and any changes to the said laws and regulations are reviewed periodically for their compliance. The Board reviews the compliance status of all the laws and regulations applicable to the Company on a quarterly basis, based on the compliance certificates submitted by CEO and CFO.

Global Marketing

HGS' Global Marketing, is a shared services function with a mandate to improve market positioning, create awareness and enable the business to grow more effectively through channel partnerships, packaging of new services, leveraging of business insights, and the development of HGS-specific thought leadership forums.

As evidence of success related to the investments in Global Marketing over the past year, the business has grown with significant new logos and has risen in recognition amongst the top industry influencers, the media, award bodies, and analysts and advisors with top rankings and increased consideration rates.

Brand recognition – amongst the best

HGS' brand recognition over the past three years has increased with strong and consistent commitment to keeping a steady drum beat of news, analyst briefings, thought leadership creation, events speaking and awards recognition.

In FY 2020, several analyst and advisor firms such as HFS, NelsonHall, Everest, Forrester and ISG published reports and articles recognizing HGS as:

- "Leaders" In CX Services, CX Improvement, Cost Optimization and Revenue Generation
- Top 10 CX Retail & CPG Service Providers

- Top 10 Digital Front Office: CX Design, Sales, and Marketing – “ACX thought leader with a flexible digital approach”
- “Star Performer” In Contact Center Outsourcing
- “Leaders” In Social Business Collaboration
- “Product Challenger” In Contact Center and Customer Experience Services
- “Booming 15 Sourcing standouts - Asia Pacific”

In the past year, most notably in a study of 300 end-users of customer engagement services, published by HFS Research, HGS ranked in the top 3 for voice of the customer. HGS was also named to The Global Outsourcing 100 by the International Association of Outsourcing Professionals (IAOP) for the 10th year in a row and brought home the CCA Excellence Award for Customer Service Team of the Year. HGS also ranked in Training magazine's top 125 training organizations twice. Forbes published multiple articles sharing marketing best practices featuring HGS thought leadership.

Competitive Advantage

The COVID-19 crisis has proven HGS to be uniquely positioned as a resilient partner because of its strong balance sheet and highly diversified client portfolio. As part of the Hinduja Group, HGS has very little debt and significant cash on hand, enabling the company to invest in its people and clients. HGS was also well prepared to address the agile business needs of the COVID-19 crisis because of its established international Work@Home™ program supported by a global HGS W@H Center of Excellence (CoE). HGS' continuous improvement heritage, combined with investments in HGS Digital, also led to the development of enablement solutions that can be deployed in just a few days.

HGS is approaching the COVID-19 challenge by leveraging alternative channels, implementing bot automation and artificial intelligence, and deploying flexible cloud architecture to move with speed to address unpredictable demands.

HGS helps our clients become more competitive. At every stage of the consumer journey, by applying digital channel expansion, adopting data analytics and implementing automation, HGS supports clients' drive to grow, need to improve cost to serve, mandate to build promoters, imperative for customer loyalty, plans to slow customer churn, and roadmap to increase operating efficiency and reduce errors. HGS is a solution provider at heart, solving businesses problems by improving processes.

HGS' commitment to being brilliant at the basics is our foundational promise to earn our clients' trust by consistently meeting and exceeding expectations. HGS believes that every dollar spent on our services is an investment in creating competitive advantage for our clients. This means HGS earns trust first with brilliant basics and then looks for intelligent innovation benefits.

HGS grows with our clients and helps them along the digital transformation journey, creating value through

innovation. Transformation requires long-term trusted relationships, and 68% of HGS' revenue come from clients that have been with the company for more than 10 years. Clients continue to trust HGS to balance the cost to service customers with the opportunity to make them more loyal, more satisfied and more valuable.

HGS' “customer first” thinking means treating each employee like a customer, every client like a partner and the consumer the way we want to be treated – with empathy and respect.

HGS has a proven method for right-shore outsourcing with local onshore capabilities as well as key nearshore and offshore locations. The company currently delivers services out of 61 centers in seven countries.

HGS is a professionally managed company with deep domain expertise. The top management is supported by geographic as well as vertical heads and practice leaders, with significant experience in their respective domains. The local leadership teams are close to where the clients are and have access to market insights, local partners and trends. They are empowered to take decisions; decentralized decision-making accelerates the response to market opportunities.

Risk and Concerns

For a company like HGS, new risks like regulatory or operational or financial can emerge or change the intensity over a period. This is due to the fact that HGS has its operations spread across multiple geographical locations, its clients located across different continents and revenues accrued and costs incurred in multiple currencies.

In the month of March 2020, COVID-19 developed rapidly into a pandemic, forcing governments and businesses to quickly act by enforcing strict lockdown across countries, states and cities. The responses to contain the pandemic resulted in new ways of conducting business. This also brought about a new set of risks that were not envisaged previously.

Global Pandemic COVID-19 related Risks

- There is uncertainty caused by COVID-19 across sectors and in all geographies that we operate in. Economic activity has slowed and nearly all our industry verticals are likely to be impacted.
- Operational and information security risks arising because of remote work solutions adopted due to COVID-19 response.
- Increased exposure to cyber-attacks, ransomware attacks and security breaches despite having strong cyber security controls in place.
- Potentially newer contract constructs because of changing economic factors and government policies in response to pandemic recovery can affect the number and terms of new contracts signed.
- The pandemic can potentially affect client budget and spending priorities, including cancellations and

ramp downs. Increased requests for furloughs, price discounts could adversely affect our future revenues, operating results and overall financial performance.

- There is a likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.
- The inability of clients to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.
- Prolonged lockdown situations can result in inability to deploy resources at different locations due to restrictions in mobility.
- Clients not being in a position to accept alternate delivery models using secure borderless workspaces.

Some of the risks to which the Company is exposed to are as follows:

- The regulatory enactments restricting the offshoring of services by any country in which HGS operates.
- The cost-based competition from companies based in emerging economies and adverse currency fluctuations.
- Lack/loss of skilled manpower can result in productivity loss, impacting the profitability.
- Technology changes related to robotic process automation (RPA), Analytics and Multi-Channel Digital transactions, which may impact volumes and ability to deliver traditional services.
- Increase in minimum wages across geographies that HGS operates in might impact its profitability.
- Absence of integrated end-to-end solutions might impact the ability of HGS to attract new customers.

HGS' efforts to comply with GDPR (General Data Protection Regulations) and other privacy and data protection laws may impose costs and challenges that are likely to increase over time. Any failure to adhere to such laws or successfully implement processes in response to, could result in impairment/damage to our reputation in the market place and the company may suffer or have to incur penalties or litigation related to violation of existing or future data privacy laws and regulations. All this could have a material adverse effect on HGS' future business and financial performance, and consequently can affect the results of the operations.

HGS has designed and established a robust ERM (Enterprise Risk Management) framework, which comprises of practices related to identification, assessment, monitoring and mitigation of risks to its business. ERM practices enables HGS to leverage upcoming market opportunities effectively through risk-oriented assessment and mitigation methods that minimize adverse impact of risks.

HGS' ERM objectives include risk management of areas related to strategic factors (both external and internal), operations, finance, client, market place, technology and

human resources. Our risk practices seek to improve long-term competitive advantage. Risk management processes and techniques are monitored, reviewed and revised as appropriate to adapt/adopt to the changing global risk scenario and landscape. Risk Management Committee reviews the identified risks and actions are taken to mitigate on a quarterly basis.

Risk Categories

ERM framework considers the following categories of risks as near-term, medium-term and long-term across various levels of the organization viz., enterprise level, business unit level, account level:

1. **Strategy Risks:** Risks emanating out of choices that HGS makes on markets, business portfolio, resource allocation, life cycle planning, delivery model, clients and suppliers, mergers and acquisitions and joint ventures, which can potentially impact its long term competitive advantage;
2. **Counterparty Risks:** Risks arising out of HGS' association with entities like clients, vendors and business associates and partners for conducting business, which may potentially incur a risk of default on obligations;
3. **Operations Risks:** Risks inherent to business operations including service delivery to clients, business support activities, information security and data privacy, intellectual property, physical security and business continuity of service delivery, which can lead to potential loss resulting from inadequate or failed processes, people and systems or from external events;
4. **Financial Risks:** Risks arising from foreign exchange volatility, interest rates, credit conditions, treasury, taxes as per statutory laws in each country of operation and client concentration, which can potentially impact the company through uncertainty of returns and potential financial loss; and
5. **Regulatory & Compliance Risks:** Risks arising out of inadequate compliance to regulations, contractual obligations and violations leading to potential litigation and loss of reputation.

HGS' Risk Management Practices

Risk management practices include identification of risks, impact and consequence analysis, evaluation of risks, mitigation and monitoring of risks along with reporting and disclosures. Business planning and strategy is integrated with the risk management. Enterprise risk assessment is an ongoing activity.

Risk identification and Impact Analysis

The procedures have been developed for identifying risks through focus group meetings, interviews, questionnaires, historic data analysis, probability forecasting, control assessment, analysis of uncertainties, what-if scenario analysis, business environment, internal audit findings, assessment of the operations and learning's from incident analysis. HGS has guidelines that provide instructions

in carrying out impact-consequence analysis for the identified risk.

Risk Evaluation: Risk criteria have been established in deciding the magnitude of risk to the company. The risk criterion includes costs, performance objectives, reputation and regulatory compliance. The risk levels are determined using the potential impact, likelihood of occurrence and the risk exposure.

Risk Mitigation & Monitoring: Identified top risks are tracked through external and internal indicators to track risk levels and likelihood of occurrence. Analysis, exposure and assessment of top risks are carried out periodically with emerging risks if-any being included. Mitigation plans are finalized, owners are identified and progress of mitigation actions are monitored and reviewed. The Risk Management Committee ultimately reports to the Board of Directors on the effectiveness of risk management across the enterprise.

Risk Reporting and Disclosures: Risks impacting achievement of business objectives, movement of risk levels, impact and mitigation status are reported and discussed with the Risk Management Committee periodically. This committee further reports to the board through periodic updates highlighting key risks, their impact and mitigation status.

Incorporating risk management with planning and strategy: Business strategy and planning take into account the identified risks and mitigation action as an input for the development of strategy and annual business plan.

Internal Controls

As a business philosophy, HGS' management believes in growth with a strong governance system and mechanism in place. HGS has a proper and adequate system of internal controls, commensurate with its size and business operation to ensure timely and accurate financial reporting in accordance with applicable accounting standards,

safeguarding of assets against unauthorized use or/and disposition and compliance with all applicable regulatory laws and Company policies.

The Company documents all the policies and procedures and from time to time updates the same, which need to be complied with. There is a clear demarcation of roles and responsibilities at various levels of the organization. Internal Control System aims to ensure that business operations function efficiently; that applicable laws, rules and regulations as well as all the policies/procedures are complied with and there is reliability and consistency of reported accounting and financial data. The Internal Auditors review the internal control systems on an ongoing basis for its effectiveness and suggests necessary changes, which are duly incorporated. The Internal audit reports are also reviewed by the Audit Committee of the Board.

Based on the current structure of internal financial controls and compliance systems established and maintained by the Company, work performed by the Statutory, Internal and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

Cautionary Statement

Some of the statements or certain statements in the above paragraphs of MDA, describing the company's objectives, expectations, predictions and assumptions may be 'forward looking' in nature, and within the meaning of the applicable Securities Laws and Regulations. The actual financial and non-financial results may differ materially, from those expressed herein, important factors that could influence the company's operations include global and economic conditions affecting demand, supply, price conditions, change in Government regulations, tax policies and regimes, other statutes and other factors such as litigation and industrial relations.

Annexure 'F' to the Directors' Report

EXTRACT OF ANNUAL RETURN**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on March 31, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L92199MH1995PLC084610
ii)	Registration Date	January 13, 1995
iii)	Name of the Company	Hinduja Global Solutions Limited
iv)	Category/ Sub-Category of the Company	Domestic Company
v)	Address of the Registered Office and Contact details	Hinduja House, 171, Dr. Annie Besant Road, Worli. Mumbai - 400 018. Tel: 022-2496 0707 Fax: 022-2497 4208
vi)	Whether listed company	Listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Tech Private Limited (formerly known as Karvy Fintech Private Limited) "Selenium Tower B", Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana. Tel: (+91 40) 6716 2222, 3321 1000 Fax: (+91 40) 2342 0814 E-Mail: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

SI No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	IT/ ITeS - BPO	63999	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	HGS International, Mauritius	-	Foreign Subsidiary	100	Section 2(87)(i)
2.	Hinduja Global Solutions Inc., U.S.A.	-	Foreign Subsidiary	100	Section 2(87)(ii)
3.	HGS Properties LLC, USA	-	Foreign Subsidiary	100	Section 2(87)(ii)
4.	HGS Canada Holdings LLC, USA	-	Foreign Subsidiary	100	Section 2(87)(ii)
5.	HGS Canada Inc, Canada	-	Foreign Subsidiary	100	Section 2(87)(ii)
6.	HGS EBOS LLC, USA	-	Foreign Subsidiary	100	Section 2(87)(ii)

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
7.	HGS (USA), LLC, USA	-	Foreign Subsidiary	100	Section 2(87)(ii)
8.	HGS Healthcare, LLC, USA	-	Foreign Subsidiary	100	Section 2(87)(ii)
9.	Affina Company, Canada	-	Foreign Subsidiary	100	Section 2(87)(ii)
10.	Hinduja Global Solutions MENA FZ-LLC, U.A.E	-	Foreign Subsidiary	100	Section 2(87)(ii)
11.	Hinduja Global Solutions Europe Limited, UK	-	Foreign Subsidiary	100	Section 2(87)(ii)
12.	Hinduja Global Solutions UK Limited, UK	-	Foreign Subsidiary	100	Section 2(87)(ii)
13.	HGS France, S.A.R.L., France*	-	Foreign Subsidiary	100	Section 2(87)(ii)
14.	C-Cubed N.V., Curacao	-	Foreign Subsidiary	100	Section 2(87)(ii)
15.	C-Cubed B.V., Netherlands	-	Foreign Subsidiary	100	Section 2(87)(ii)
16.	Customer Contact Centre Inc., Philippines^	-	Foreign Subsidiary	100	Section 2(87)(ii)
17.	HGS St. Lucia Limited, Saint Lucia	-	Foreign Subsidiary	100	Section 2(87)(ii)
18.	Team HGS Limited, Jamaica	-	Foreign Subsidiary	100	Section 2(87)(ii)
19.	HGS Axis Point Health LLC, U.S.A	-	Foreign Subsidiary	100	Section 2(87)(ii)
20.	Falcon Health Solutions – Puerto Rico LLC, USA	-	Foreign Subsidiary	100	Section 2(87)(ii)
21.	Falcon Health Solutions – Puerto Rico, Holding LLC	-	Foreign Subsidiary	100	Section 2(87)(ii)
22.	HGS Colibrium LLC, USA#	-	Foreign Subsidiary	100	Section 2(87)(ii)
23.	HGS Digital LLC, USA (Formerly known as Elements Solutions LLC)+	-	Foreign Subsidiary	71.33	Section 2(87)(ii)

* Under liquidation

^ Liquidated effective April 3, 2018

HGS International Mauritius, (a wholly owned subsidiary of Hinduja Global Solutions Limited) which, holds 95.2% equity interest in "HGS Colibrium Inc., USA" has acquired an additional equity interest of 4.8% in "HGS Colibrium Inc., USA". Consequently, the shareholding of the HGS International, Mauritius in HGS Colibrium Inc., has increased to 100%. Further, effective March 31, 2020, HGS Colibrium LLC was merged into "Hinduja Global Solutions Inc, USA (a wholly owned subsidiary of HGS International, Mauritius).

+ Additional equity stake of 14.33% was acquired during the year pursuant to the Membership Interest Agreement dated March 29, 2018. Further, additional 14.33% was acquired in August 2020. With this, equity interest of Hinduja Global Solutions UK Limited, UK has been increased to 85.66% in HGS Digital LLC.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year*
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
	(1) Indian									
	a) Individual/ HUF	16,17,185	0	16,17,185	7.76	16,17,185	0	16,17,185	7.75	(0.01)
	b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bodies Corp.	96,50,840	0	96,50,840	46.31	96,50,840	0	96,50,840	46.25	(0.06)
	e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (1)	1,12,68,025	0	1,12,68,025	54.07	1,12,68,025	0	1,12,68,025	54.00	(0.07)
	(2) Foreign									
	a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c) Bodies Corp.	27,61,427	0	27,61,427	13.25	27,61,427	0	27,61,427	13.23	(0.02)
	d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
	e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (2)	27,61,427	0	27,61,427	13.25	27,61,427	0	27,61,427	13.23	(0.02)
	Total Shareholding of Promoter (A)= (A)(1)+ (A)(2)	1,40,29,452	0	1,40,29,452	67.32	1,40,29,452	0	1,40,29,452	*67.23	(0.09)
B.	Public Shareholding									
	1. Institutions									
	a) Mutual Funds	3,77,651	0	3,77,651	1.81	0	0	0	0.00	(1.81)
	b) Banks/ FI	4,130	0	4,130	0.02	3,561	0	3,561	0.02	0.00
	c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
	e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g) FIIs/ FPIs	18,35,562	0	18,35,562	8.81	24,05,075	0	24,05,075	11.53	2.72
	h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	i) Others (specify)									
	- Foreign National	4,705	0	4,705	0.02	4,705	0	4,705	0.02	0.00
	-Foreign Companies	0	15,000	15,000	0.07	0	15,000	15,000	0.07	0.00
	Sub - total (B) (1)	22,22,048	15,000	22,37,048	10.73	24,13,341	15,000	24,28,341	11.64	0.91
	2. Non-Institutions									

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year*
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
a) Bodies Corp.									
- Indian	6,72,658	2,900	6,75,558	3.24	7,27,314	2900	7,30,214	3.50	0.26
- Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
- Individual shareholders holding nominal share capital upto ₹ 1 lakh	16,69,521	25,168	16,94,689	8.13	17,74,196	21,218	17,95,414	8.60	0.47
- Individual shareholders holding nominal share capital in excess of ₹1 lakh	19,26,373	0	19,26,373	9.24	16,19,701	0	16,19,701	7.76	(1.48)
c) Others (specify)									
- NRIs	48,631	0	48,631	0.23	87,826	0	87,826	0.42	0.19
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
- Clearing Members	7,977	0	7,977	0.04	4,850	0	4,850	0.02	(0.02)
HUF	2,12,976	0	2,12,976	1.02	1,62,550	0	1,62,550	0.78	(0.24)
IEPF	6,240	0	6,240	0.03	7,585	0	7,585	0.04	0.01
NBFCs	0	0	0	0.00	0	0	0	0.00	0.00
Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2):-	45,44,376	28,068	45,72,444	21.94	43,84,022	24,118	44,08,140	21.12	(0.82)
Total Public Shareholding (B) = (B)(1)+ (B)(2)	67,66,391	43,068	68,09,492	32.68	67,97,363	39,118	68,36,481	32.76	0.09
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	2,07,95,876	43,068	2,08,38,944	100.00	2,08,26,815	39,118	2,08,65,933	100.00	0.00

Note: * Change in percentage in promoter's shareholding is due to increase in share capital of the Company due to allotment of shares under ESOP Schemes of the Company.

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Ashok P. Hinduja	31,600	0.15	0.00	31,600	0.15	0.00	0.00
2.	Harsha Ashok Hinduja	16,695	0.08	0.00	16,695	0.08	0.00	0.00
3.	Harsha Ashok Hinduja/ Jt. Ashok Parmanand Hinduja	5,57,498	2.68	0.00	5,57,498	2.67	0.00	0.00
4.	Ashok P. Hinduja/ Jt. Harsha Ashok Hinduja	45,313	0.22	0.00	45,313	0.22	0.00	0.00
5.	Vinoo Srichand Hinduja	61,065	0.29	0.00	61,065	0.29	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
6.	Ambika Ashok Hinduja	1,77,242	0.85	0.00	1,77,242	0.85	0.00	0.00
7.	Shom Ashok Hinduja	1,40,007	0.67	0.00	1,40,007	0.67	0.00	0.00
8.	Shanoo S. Mukhi	955	0.00	0.00	955	0.00	0.00	0.00
9.	Ashok P. Hinduja Karta of A.P. Hinduja (HUF)	54,327	0.26	0.00	54,327	0.26	0.00	0.00
10.	Ashok P. Hinduja Karta of S. P. Hinduja (HUF bigger)	5,32,483	2.56	0.00	5,32,483	2.55	0.00	0.00
11.	Hinduja Group Limited	57,48,541	27.59	0.00	58,18,541	27.89	0.00	(0.30)
12.	Hinduja Group Limited jointly with Hinduja Realty Ventures Ltd. (as the Demat account holder & partner of Aasia Exports)	33,54,490	16.10	0.00	33,54,490	16.08	0.00	(0.02)
13.	Amas Mauritius Limited	27,61,427	13.25	0.00	27,61,427	13.23	0.00	(0.02)
14.	Aasia Corporation LLP	4,77,809	2.29	0.00	4,77,809	2.29	0.00	0.00
15.	Hinduja Finance Limited	70,000	0.34	0.00	0.34	0.00	0.00	(0.34)
	Total	1,40,29,452	67.32	0.00	1,40,29,452	67.24*	0.00	*(0.21)

Note: * Change in percentage in promoter's shareholding is due to increase in share capital of the Company due to allotment of shares under ESOP Schemes of the Company.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	1,40,29,452	67.32	1,40,29,452	67.32
Date wise increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	During the Financial Year 2019-20, Hinduja Finance Limited transferred by way of disposal of 70,000 HGS Equity shares to Hinduja Group Limited on June 19, 2019.			
At the end of the year	1,40,29,452	*67.24	1,40,29,452	67.24

Note: * Change in percentage in promoter's shareholding is due to increase in share capital of the Company due to allotment of shares under ESOP Schemes of the Company.

iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - April 1, 2019 to March 31, 2020.

Sl. No	Date of transaction	Nature of Transaction	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	31/03/2019	Opening Balance	SEETHA KUMARI	793456	3.81	793456	3.81
	31/05/2019	Sale		-50000	-0.24	743456	3.57
	07/06/2019	Purchase		384	0.00	743840	3.57
	14/06/2019	Purchase		2039	0.01	745879	3.58
	21/06/2019	Purchase		753	0.00	746632	3.58
	28/06/2019	Purchase		1483	0.01	748115	3.59
	29/06/2019	Purchase		64	0.00	748179	3.59
	12/07/2019	Purchase		61	0.00	748240	3.59
	19/07/2019	Purchase		2693	0.01	750933	3.60
	26/07/2019	Purchase		3513	0.02	754446	3.62
	02/08/2019	Purchase		7297	0.04	761743	3.65
	09/08/2019	Purchase		8	0.00	761751	3.65
	16/08/2019	Purchase		565	0.00	762316	3.66
	23/08/2019	Purchase		4816	0.02	767132	3.68
	30/08/2019	Purchase		622	0.00	767754	3.68
	11/10/2019	Purchase		45063	0.22	812817	3.90
	31/12/2019	Purchase		5193	0.02	818010	3.92
	14/02/2020	Purchase		800	0.00	818810	3.92
	06/03/2020	Purchase		204849	0.98	1023659	4.91
	06/03/2020	Sale		-203000	-0.97	820659	3.93
	20/03/2020	Purchase		1213	0.01	821872	3.94
	27/03/2020	Sale		-1721	-0.01	820151	3.93
	31/03/2020	Closing Balance				820151	3.93
2	31/03/2019	Opening Balance	BRIDGE INDIA FUND	474147	2.28	474147	2.28
	31/03/2020	Closing Balance				474147	2.27
3	31/03/2019	Opening Balance	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL	377651	1.81	377651	1.81
	14/06/2019	Sale		-377651	-1.81	0	0.00
	31/03/2020	Closing Balance				0	0.00
4	31/03/2019	Opening Balance	RELIANCE VALUE SERVICES PRIVATE LIMITED	375000	1.80	375000	1.80
	23/08/2019	Sale		-2647	-0.01	372353	1.79
	31/03/2020	Closing Balance			0.00	372353	1.78

Sl. No	Date of transaction	Nature of Transaction	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
5	31/03/2019	Opening Balance	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	221271	1.06	221271	1.06
	05/04/2019	Purchase		4580	0.02	225851	1.08
	12/04/2019	Purchase		277453	1.33	503304	2.42
	10/05/2019	Purchase		6787	0.03	510091	2.45
	17/05/2019	Purchase		4489	0.02	514580	2.47
	24/05/2019	Purchase		4085	0.02	518665	2.49
	31/05/2019	Purchase		671	0.00	519336	2.49
	14/06/2019	Purchase		270631	1.30	789967	3.79
	21/06/2019	Purchase		40969	0.20	830936	3.99
	28/06/2019	Purchase		2406	0.01	833342	4.00
	05/07/2019	Purchase		5819	0.03	839161	4.03
	09/08/2019	Purchase		974	0.00	840135	4.03
	23/08/2019	Purchase		637	0.00	840772	4.03
	30/08/2019	Purchase		7350	0.04	848122	4.07
	06/09/2019	Purchase		941	0.00	849063	4.07
	13/09/2019	Purchase		2534	0.01	851597	4.09
	27/09/2019	Purchase		2470	0.01	854067	4.10
	11/10/2019	Purchase		1880	0.01	855947	4.11
	08/11/2019	Purchase		1658	0.01	857605	4.11
	29/11/2019	Purchase		11731	0.06	869336	4.17
	06/12/2019	Purchase		7591	0.04	876927	4.20
	31/03/2020	Closing Balance				876927	4.20
6	31/03/2019	Opening Balance	GIRISH KUMAR SHARDA	200000	0.96	200000	0.96
	20/12/2019	Purchase		200000	0.96	400000	1.92
	20/12/2019	Sale		-200000	-0.96	200000	0.96
	31/03/2020	Closing Balance				200000	0.96

Sl. No	Date of transaction	Nature of Transaction	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
7	31/03/2019	Opening Balance	KAPITALFORENINGEN INSTITUTIONEL INVESTOR, ASIATISK	24813	0.12	24813	0.12
	05/04/2019	Purchase		1126	0.01	25939	0.12
	12/04/2019	Purchase		27529	0.13	53468	0.26
	03/05/2019	Purchase		284	0.00	53752	0.26
	10/05/2019	Purchase		1670	0.01	55422	0.27
	17/05/2019	Purchase		2815	0.01	58237	0.28
	24/05/2019	Purchase		1121	0.01	59358	0.28
	31/05/2019	Purchase		564	0.00	59922	0.29
	14/06/2019	Purchase		17990	0.09	77912	0.37
	21/06/2019	Purchase		2860	0.01	80772	0.39
	12/07/2019	Purchase		17335	0.08	98107	0.47
	19/07/2019	Purchase		22236	0.11	120343	0.58
	26/07/2019	Purchase		14309	0.07	134652	0.65
	09/08/2019	Purchase		604	0.00	135256	0.65
	23/08/2019	Purchase		1540	0.01	136796	0.66
	30/08/2019	Purchase		1947	0.01	138743	0.67
	06/09/2019	Purchase		1419	0.01	140162	0.67
	13/09/2019	Purchase		808	0.00	140970	0.68
	27/09/2019	Purchase		597	0.00	141567	0.68
	04/10/2019	Purchase		615	0.00	142182	0.68
	11/10/2019	Purchase		1275	0.01	143457	0.69
	01/11/2019	Purchase		1018	0.00	144475	0.69
	08/11/2019	Purchase		1192	0.01	145667	0.70
	15/11/2019	Purchase		3239	0.02	148906	0.71
	22/11/2019	Purchase		1227	0.01	150133	0.72
	29/11/2019	Purchase		1779	0.01	151912	0.73
	06/12/2019	Purchase		2309	0.01	154221	0.74
	13/12/2019	Purchase		7270	0.03	161491	0.77
	27/12/2019	Purchase		4787	0.02	166278	0.80
	31/3/2020	Closing Balance		-	-	166278	0.80
8	31/03/2019	Opening Balance	VELURU GIRINATHA PRAKASH		0.00	133828	0.64
	06/12/2019	Purchase		494	0.00	134322	0.64
	31/03/2020	Closing Balance				134322	0.64
9	31/03/2019	Opening Balance	MANISH LAKHI	112765	0.54	112765	0.54
	20/12/2019	Sale		-20228	-0.10	92537	0.44
	31/03/2020	Closing Balance				92537	0.44

Sl. No	Date of transaction	Nature of Transaction	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
10	31/03/2019	Opening Balance	FIDELITY ASIAN VALUES PLC	91763	0.44	91763	0.44
	05/04/2019	Purchase		1508	0.01	93271	0.45
	12/04/2019	Purchase		115128	0.55	208399	1.00
	10/05/2019	Purchase		2912	0.01	211311	1.01
	17/05/2019	Purchase		3241	0.02	214552	1.03
	24/05/2019	Purchase		1604	0.01	216156	1.04
	31/05/2019	Purchase		564	0.00	216720	1.04
	14/06/2019	Purchase		87650	0.42	304370	1.46
	21/06/2019	Purchase		13501	0.06	317871	1.53
	28/06/2019	Purchase		1096	0.01	318967	1.53
	05/07/2019	Purchase		1335	0.01	320302	1.54
	09/08/2019	Purchase		604	0.00	320906	1.54
	23/08/2019	Purchase		682	0.00	321588	1.54
	30/08/2019	Purchase		3907	0.02	325495	1.56
	06/09/2019	Purchase		1398	0.01	326893	1.57
	13/09/2019	Purchase		1052	0.01	327945	1.57
	27/09/2019	Purchase		997	0.00	328942	1.58
	04/10/2019	Purchase		821	0.00	329763	1.58
	11/10/2019	Purchase		631	0.00	330394	1.59
	08/11/2019	Purchase		1192	0.01	331586	1.59
	15/11/2019	Purchase		17544	0.08	349130	1.67
	22/11/2019	Purchase		6642	0.03	355772	1.71
	29/11/2019	Purchase		4177	0.02	359949	1.73
	06/12/2019	Purchase		1770	0.01	361719	1.73
	13/12/2019	Purchase		49174	0.24	410893	1.97
	27/12/2019	Purchase		32320	0.16	443213	2.12
	31/03/2020	Closing Balance				443213	2.12
11	31/03/2019	Opening Balance	DIMENSIONAL EMERGING MARKETS VALUE FUND	74046	0.36	74046	0.36
	24/01/2020	Purchase		1130	0.01	75176	0.36
	31/03/2020	Closing Balance				75176	0.36

Sl. No	Date of transaction	Nature of Transaction	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
12	31/03/2019	Opening Balance	GIRDHAR LAL SHARDA	75115	0.36	75115	0.36
	16/08/2019	Sale		-500	0.00	74615	0.36
	30/08/2019	Sale		-1526	-0.01	73089	0.35
	06/09/2019	Sale		-500	0.00	72589	0.35
	13/09/2019	Sale		-514	0.00	72075	0.35
	20/09/2019	Sale		-4616	-0.02	67459	0.32
	27/09/2019	Sale		-5480	-0.03	61979	0.30
	30/09/2019	Sale		-1712	-0.01	60267	0.29
	04/10/2019	Sale		-1500	-0.01	58767	0.28
	11/10/2019	Sale		-1000	0.00	57767	0.28
	08/11/2019	Sale		-250	0.00	57517	0.28
	22/11/2019	Sale		-41	0.00	57476	0.28
	17/01/2020	Sale		-546	0.00	56930	0.27
	24/01/2020	Sale		-2187	-0.01	54743	0.26
	31/01/2020	Sale		-3500	-0.02	51243	0.25
	07/02/2020	Sale		-750	0.00	50493	0.24
	31/03/2020	Closing Balance				50493	0.24

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A. DIRECTORS						
1. Ramkrishan P. Hinduja (Upto September 03, 2019)						
	At the beginning of the year	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	-	-	Nil	0.00
2. Shanu S.P. Hinduja (Upto September 03, 2019)						
	At the beginning of the year	-	955	0.00	955	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	955	-	955	0.00
3. Vinoo S. Hinduja (Upto September 03, 2019)						
	At the beginning of the year	-	61,065	0.29	61,065	0.29
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	61,065	0.29	61,065	0.29
4. Anil Harish						
	At the beginning of the year	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	-	-	Nil	0.00

Sl. No.	Name of Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5. Rajendra P. Chitale (Upto July 03, 2019)						
	At the beginning of the year	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	-	-	Nil	0.00
6. Rangan Mohan (Upto July 03, 2019)						
	At the beginning of the year	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	-	-	Nil	0.00
7. Yashodhan Madhusudan Kale						
	At the beginning of the year	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	Nil	0.00	Nil	0.00
8. Pradeep Mukerjee (Upto September 02, 2019)						
	At the beginning of the year	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the yearspecifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	Nil	0.00	Nil	0.00

Sl. No.	Name of Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	9. Bhumika Batra (Effective September 04, 2019)					
	As on September 04, 2019	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allot-ment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	NIL	0.00	Nil	0.00
	10. Partha DeSarkar (Effective September 04, 2019)					
	At the beginning of the year	-	42,068	0.20	42,068	0.20
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	10.11.2019	5,850 (Allotted under ESOP)	0.03	47,918	0.23
		05.12.2019	2,500 (Allotted under ESOP)	0.01	50,418	0.24
	At the End of the year	-	50,418	0.24	50,418	0.24
	11. Sudhanshu Tripathi (Effective September 30, 2019)					
	As on September 30, 2019	-	Nil	0.00	Nil	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	Nil	0.00	Nil	0.00
	12. Ganesh Natarajan (Effective September 30, 2019)					
	As on September 30, 2019	-	500	0.00	500	0.00
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	Nil	0.00	Nil	0.00
	At the End of the year	-	500	0.00	500	0.00

Sl. No.	Name of Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
B. KEY MANAGERIAL PERSONNEL						
1. Srinivas Palakodeti						
	At the beginning of the year	-	12,727	0.06	12,727	0.06
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc..)	23.04.2019	561 (Allotted under ESOP)	0	13,288	0.06
		12.07.2019	438 (Allotted under ESOP)	0	13,726	0.07
		10.11.2019	561 (Allotted under ESOP)	0	14,287	0.07
		05.12.2019	3,300 (Allotted under ESOP)	0.02	17,587	0.08
	At the End of the year		17,587	0.08	17,587	0.08
2. Makarand D. Dewal (Upto October 01, 2019)						
	At the beginning of the year	-	-	-	-	-
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	-	-	-	-
	At the End of the year	-	-	-	-	-
3. S. Mahadevan (Effective October 01, 2019)						
	At the beginning of the year	-	7,485	0.04	7,485	0.04
	Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	23.04.2019	1,485 (Allotted under ESOP)	0.01	8,970	0.04
	At the End of the year		8,970	0.04	8,970	0.04

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,66,59,76,772.24	-	-	1,66,59,76,772.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	50,09,133.00	-	-	50,09,133.00
Total (i+ii+iii)	1,67,09,85,905.24	-	-	1,67,09,85,905.24
Change in Indebtedness during the Financial Year				
• Addition	2,23,36,56,626.15	-	-	2,23,36,56,626.15
• Reduction	-1,67,69,39,873.15	-	-	-1,67,69,39,873.15
• Exchange difference	12,17,24,000.00	-	-	12,17,24,000.00
Net Change	67,84,40,753.00	-	-	67,84,40,753.00
Indebtedness at the end of the Financial Year				
i) Principal Amount	2,34,94,26,658.24	-	-	2,34,94,26,658.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	59,43,000.00	-	-	59,43,000.00
Total (i+ii+iii)	2,35,53,69,658.24	-	-	2,35,53,69,658.24

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Executive Director (Whole-time Director) / Manager

Sl. No.	Particulars of Remuneration	Name of Manager (Upto September 03, 2019) and Executive Director (Whole-time Director) (Effective September 04, 2019) (designated as CEO): Partha DeSarkar
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	₹ 2,63,90,357
	(b) Annual Performance Incentive payable for FY 2019-20 #	₹ 3,60,56,818
	(c) Deferred Performance Incentive*	₹ 5,07,30,000
	(d) Value of perquisite u/s 17(2) of the Income-tax Act, 1961	₹ 10,56,284
	(e) Profits in lieu of salary under Section 17(3) of the Income Tax	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - As % of profit - Others, specify	Nil
5.	Other, please specify (Employers contribution towards Provident Fund, Gratuity Fund and Superannuation Fund and Medical Insurance)	₹ 18,03,211
	Total (A)	₹ 11,60,36,670
	Ceiling as per the Companies Act, 2013	The remuneration payable to any one Managing Director or Whole- Time-Director or Manager shall not exceed five per cent of the net profits of the company.

- # The remuneration is exclusive of taxable value of perquisite on stock options exercised during the year. Executive remuneration includes provision for variable remuneration. The Nomination & Remuneration Committee and the Board of Directors, at their meetings held on September 3, 2020 and September 5, 2020 respectively have approved the payment of ₹ 3,27,96,000 for the year ended March 31, 2020.
- * Deferred Performance Incentive, payable in FY 2023, subject to Company achieving certain profitability targets by the financial year ending March 31, 2022 and subject to the approval by the Nomination & Remuneration Committee and the Board of the Directors.

B. Remuneration to other directors:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors:	Rajendra P. Chitale (Upto July 03, 2019)	Rangan Mohan (Upto July 03, 2019)	Pradeep Mukerjee (Upto September 02, 2019)	Anil Harish	Bhumika Batra (Effective September 04, 2019)	Ganesh Natarajan (Effective September 30, 2019)	
	• Fee for attending Board/ Committee meetings	3,00,000	3,00,000	6,00,000	23,50,000	17,00,000	10,50,000	63,00,000
	• Commission	-	-	-	42,44,000	30,21,000	19,62,000	92,27,000
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	3,00,000	3,00,000	6,00,000	65,94,000	47,21,000	30,12,000	1,55,27,000
2.	Other Non-Executive Directors	Ramkrishan P. Hinduja (Upto September 03, 2019)	Shanu S. P. Hinduja (Upto September 03, 2019)	Vinoo S. Hinduja (Upto September 03, 2019)	Yashodhan Madhusudan Kale	Sudhanshu Tripathi	(left black intentionally)	
	• Fee for attending Board/ Committee meetings	7,00,000	4,00,000	2,00,000	20,50,000	9,50,000		43,00,000
	• Commission	-	-	-	36,17,000	21,56,000		57,73,000
	• Others, please specify	-	-	-	-	-		-
	Total (2)	7,00,000	4,00,000	2,00,000	56,67,000	31,06,000	-	1,00,73,000
	Total (B)= (1+2)							2,56,00,000
Total Managerial Remuneration (A+B)								14,16,36,670
Overall Ceiling as per the Companies Act, 2013		Total managerial remuneration payable shall not exceed 11% of the net profit of the Company						

C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Company Secretary S. Mahadevan @ (Effective October 1, 2019)	Company Secretary Makarand D. Dewal (Upto September 30, 2019)	CFO Srinivas Palakodeti	Total
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	50,04,428	51,51,115	1,78,17,602	2,79,73,145
	b) Annual Performance Incentive payable for FY 2019-20 #	45,85,000	3,00,000	1,61,30,000	2,10,15,000
	c) Deferred Performance Incentive*	18,95,000	Nil	2,64,00,000	2,82,95,000
	d) Value of perquisite u/s 17(2) of the Income- tax Act, 1961	-	-	5,52,504	5,52,504

	e) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	- As % of profit	Nil	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil	Nil
	Other, please specify (Employers contribution towards Provident Fund & Gratuity Fund)	3,35,080	3,250	11,67,676	15,06,006
	Total	1,18,19,508	54,54,365	6,20,67,782	7,93,41,655

The remuneration is exclusive of taxable value of perquisite on stock options exercised during the year. Executive remuneration includes provision for variable remuneration. The Nomination & Remuneration Committee and the Board of Directors, at their meetings held on September 3, 2020 and September 5, 2020 respectively have approved the following payments for FY 2019 - 20:

Mr. Srinivas Palakodeti - ₹ 1,45,48,000, and

Mr. S. Mahadevan - ₹ 76,07,000.

* Deferred performance incentive, payable in FY 2023, subject to Company achieving certain profitability targets by the financial year ending March 31, 2022 and subject to the approval by the Nomination & Remuneration Committee and the Board of the Directors.

@ The remuneration for Company Secretary Mr. S. Mahadevan is pro-rated for the six month period ended March 31, 2020 as a key management personnel.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishments, compounding of offences for the Financial Year ended March 31, 2019.

For and on behalf of the Board of Directors

Place : Mumbai
Date : September 05, 2020

Yashodhan Madhusudan Kale
Chairman
(DIN: 00013782)

Annexure 'G' to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

At the core of the Company's mission and philosophy towards CSR activities is the commitment and the motto of its founder Shri Parmanand Deepchand Hinduja to treat work as a bond between the enterprise and the larger society and his pioneering thoughts "My dharma (duty) is to work so that I can give". The Company's programs reinforce the commitments towards the overall betterment of society with the focus on upliftment of economically and socially weaker communities. For achieving these objectives, the CSR framework primarily focuses on the following core areas – Education, Healthcare and Community Development.

The CSR vision of the Company is to strive to be a socially responsible corporate entity by partnering in the social and economic development of the community. The Company endeavors to make continuous efforts for improving quality of education and providing skill development training to youth in order to enhance their employment and livelihood opportunities.

During the year, your Company had won three CSR awards: CSR Project of the Year award for 'Advanced Mobile Health Unit (AMHU) Project' and Best CSR Practice Award for 'Voluntary initiatives across the cities' at the UBS Corporate Social Responsibility Summit & Awards and the 'Best Work Place Practice' award for HGS' volunteering practices at the ET Now - World HRD Congress Awards 2020

Composition of CSR Committee:

The Corporate Social Responsibility Committee ("CSR Committee") of the Company as at March 31, 2020, consisted of following Members:

- Mr. Anil Harish, Independent Director - Chairman
- Mr. Sudhanshu Tripathi, Non-Executive, Non-Independent Director – Member (Effective September 30, 2019)
- Mr. Partha DeSarkar, Executive Director (Whole-time Director) - Member (Effective September 30, 2019)

Mr. Rajendra P. Chitale and Mr. Rangan Mohan, Independent Directors ceased to be members of the Committee effective July 03, 2019 since they ceased to be Independent Directors of the Company upon expiry of their tenure as Independent Director from the said date.

Mr. Pradeep Mukerjee, Independent Director, was a member of the committee effective May 30, 2019 and ceased to be a member of the Committee effective September 02, 2019 since he resigned as member of the Board.

Mr. Ramkrishan P. Hinduja and Ms. Vinoo S. Hinduja, Non-Executive and Non-Independent Directors ceased to be members of the Committee effective September 03, 2019 since they resigned as members of the Board.

Objectives of CSR Policy:

- Identification of constituencies of economically and socially disadvantaged sections of the community and causes to work with, for undertaking CSR activities in order to attain sustainable development and all round social improvement.
- Encourage employees to participate in the Company's CSR initiatives and to promote a unified and strategic approach towards CSR activities in an organized manner.
- Funding or carrying out charitable and socially responsible activity.

For more information, please refer to the CSR policy available on the Company's website: www.teamhgs.com/investors/corporate-policies.

CSR Expenditure as per Section 135 of the Companies Act, 2013 and Rules made thereunder:

(₹ in lakhs)

Average net profit of the Company for the three immediately preceding financial years.	21,734.42
Prescribed CSR Expenditure (two percent of the average net profit computed above)	434.68
Details of CSR Expenditure during the financial year	435.00
Total amount to be spent during the financial year	435.00
Amount unspent, if any.	NIL

Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs.in lakhs) (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
1	Magic Bus India Foundation	Promoting education, and employment enhancing vocation skills and livelihood enhancement projects	Mysore, Karnataka Hyderabad, Telangana	79	(1) 75.05 (2) 3.95	79	Through Magic Bus India Foundation
2	National Health & Education Society	Preventive health care and sanitation	Mumbai, Maharashtra	290	(1) 290.00 (2) 0.00	290	Through National Health & Education Society
3	The Akshaya Patra Foundation	Promoting education & eradicating hunger	Bangalore, Karnataka	66	(1) 64.02 (2) 1.98	66	Through Akshaya Patra Foundation
Total				435	(1) 429.07 (2) 5.93	435	

Responsibility Statement of the CSR Committee:

This is to state that the implementation and monitoring of the CSR policy as recommended by the CSR Committee and approved by the Board, is in compliance with the CSR objectives and the Policy of the Company. The CSR Forum of the Company monitors the implementation of the CSR initiatives/ programs.

Place : Mumbai
Date : September 05, 2020

Anil Harish
Chairman, CSR Committee
(DIN: 00001685)

Partha DeSarkar
Executive Director
(Whole-time Director)
(DIN: 00761144)

Annexure 'H' to the Directors' Report

Particulars of Contracts/ Arrangements with Related Parties

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014-Form AOC-2]

This Form is for disclosure of particulars of contracts/ arrangements entered into by Hinduja Global Solutions Limited ("HGS" or "the Company") with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013.

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis

2. Details of material contracts or arrangements or transactions at arm's length basis

a)	1. Name of Subsidiary	HGS Healthcare LLC, USA	HGS International, Mauritius	HGS USA LLC	Hinduja Global Solutions UK Limited
	2. Nature of Relationship	Wholly owned step-down subsidiary	Wholly owned subsidiary	Wholly owned step-down subsidiary	Wholly owned step-down subsidiary
b)	Nature of contract/ arrangement	Subcontract Agreement	Loan given	Subcontract Agreement	Subcontract Agreement
c)	Duration of Contract/ Arrangement	Perpetual	No fixed tenure	Perpetual	Perpetual
d)	1. Salient terms of the Contract/ arrangement	HGS will provide BPM services to HGS Healthcare LLC and diligently perform the contract in a timely manner and provide services in accordance with the SOWs.	Interest Rate of US\$ 3 month LIBOR+115 basis points.	HGS will provide BPM services to HGS USA LLC and diligently perform the contract in a timely manner and provide services in accordance with the SOWs	HGS will provide BPM services to Hinduja Global Solutions UK Limited and diligently perform the contract in a timely manner and provide services in accordance with the SOWs
	2. Value	₹ 147,167.82 Lakhs	₹ 30,147.00 Lakhs	₹ 5,968.98 Lakhs	₹ 2,243.11 Lakhs
e)	Dates of Board's approval(s)	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f)	Amount paid as advances, if any:	NIL	As above	NIL	NIL

For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale
Chairman
(DIN: 00013782)

Place : Mumbai
Date : September 05, 2020

Annexure 'I' to the Directors' Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HINDUJA GLOBAL SOLUTIONS LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUJA GLOBAL SOLUTIONS LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable to the Company during the Audit Period**);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (j) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014;
- (k) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
- (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say :
 - (a) Information Technology Act, 2000 & Information Technology (Electronic Service Delivery) Rules, 2011;
 - (b) The Telecom Commercial Communications Customer Preference Regulations, 2010;
 - (c) The National Do Not Call Registry (NDNC);
 - (d) DoT /OSP Regulations;
 - (e) Telecom Regulatory Authority of India, 1997;
 - (f) The Indian Wireless Act, 1933;
 - (g) Encryption Rules and Regulations under Comptroller of IT;
 - (h) Data Security and Data confidentiality rules (HIPPA and GLBA to the extent of technology infrastructure to be deployed);
 - (i) The Information Technology (Reasonable

security practices and procedures and sensitive personal data or information) Rules, 2011.

- (j) Payment Card Industry Standard – PCI DSS;
- (k) The EU General Data Protection Regulations 2017 to the extent applicable while handling EU citizen's information. (UK DPA 2018 supplementing EU-GDPR to the UK's requirements)
- (vii) Other laws to the extent applicable to the Company as per the representations made by the Company;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above subject to the following observation:

Hinduja Global Solutions UK Limited, is a Foreign Subsidiary of the Company. During the course of review, it was observed that the said foreign subsidiary was erroneously categorized as a non-material subsidiary instead of material subsidiary during the year. Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 provides that there shall be at least One Independent Director on the Board of the listed Company shall be a Director on the Board of Directors of an unlisted material subsidiary company, whether incorporated in India or not. We are informed by the Company that it has initiated necessary steps to nominate an Independent Director on the Board of Directors of Hinduja Global Solutions UK Limited.

I further report that

The Board of Directors of the Company is duly constituted and consists of Non-Executive Directors, 50% being Independent Directors. The Whole-Time Director is responsible for the executive functions. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting, to the extent practicable.

Majority decisions were carried through while the dissenting member(s) views, if any, have been captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. An Ordinary Resolution was passed at the Twenty-Fourth Annual General Meeting held on September 28, 2019 by the Members of the Company for appointment of Ms. Bhumika Batra as an Independent Director of the Company for a period of five consecutive years from September 04, 2019 to September 03, 2024.
2. An Ordinary Resolution was passed at the Twenty-Fourth Annual General Meeting held on September 28, 2019 by the Members of the Company for appointment of Mr. Partha DeSarkar as an Executive Director (Whole Time Director) of the Company for a period of five consecutive years from September 04, 2019 to September 03, 2024.

Rupal Dhiren Jhaveri

Practicing Company Secretary

Place : Mumbai

FCS No: 5441

Date: September 04, 2020

Certificate of Practice No.

4225

UDIN: F005441B000664066

*This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.*

To,

The Members

HINDUJA GLOBAL SOLUTIONS LIMITED

My report of even date is to be read along with this letter.

‘Annexure 1’

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : September 04, 2020

Rupal Dhiren Jhaveri
Practicing Company Secretary
FCS No: 5441
Certificate of Practice No. 4225
UDIN: F005441B000664066

Annexure 'J'

TO THE DIRECTORS' REPORT

[Statement of Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year; and the percentage increase in remuneration of each director in the financial year 2019-20;**

Name of Director	Ratio of Remuneration to MRE*	% increase in remuneration for FY 2019-20**
Mr. Ramkrishan P. Hinduja #	3.40	-89.20%
Ms. Shanu S. P. Hinduja #	1.94	-85.15%
Ms. Vinoo S. Hinduja #	0.97	-94.22%
Mr. Anil Harish	32.00	2.97%
Mr. Rajendra P. Chitale #	1.46	-95.37%
Mr. Rangan Mohan #	1.46	-95.27%
Mr. Yashodhan Madhusudan Kale	27.50	56.63%
Mr. Pradeep Mukerjee #	2.91	-83.42%
Ms. Bhumika Batra	22.91	NA
Mr. Sudhanshu Tripathi	15.07	NA
Dr. Ganesh Natarajan	14.62	NA

* MRE = Median Remuneration of Employees.

Resigned / retired during FY 2019-20.

- (ii) **The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager (KMP) in the financial year 2019-20;**

Name of KMP	Designation	% increase in remuneration for FY 2019-20
Mr. Partha DeSarkar	Executive Director (Whole time Director)	11.5*
Mr. Srinivas Palakodeti	Chief Financial Officer	15.5*
Mr. Makarand D. Dewal	Company Secretary (Up to October 1, 2020)	# Refer Note below
Mr. S. Mahadevan	Company Secretary (from October 1, 2020)	# Refer Note below

* Annual remuneration includes fixed pay, Annual Performance Incentive but excludes the taxable value of perquisite on stock options exercised during the year. It also excludes Deferred Performance Incentive payable in FY 2023, subject to (a) Company achieving certain profitability targets by the financial year ending March 31, 2022 and (b) subject to approval by the Nomination & Remuneration Committee and the Board of Directors.

Not applicable as employed for part of the year.

- (iii) **The percentage increase in the median remuneration of employees in the financial year 2019-20**

The median remuneration of employees (MRE) for the FY 2019-20 increased by 1.51% (includes the prorated increase for part of the year) as compared to the FY 2018-19.

- (iv) **The number of permanent employees on the rolls of the Company: 12,569**

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase in the salaries of employees, other than KMPs in the last financial year is 10.4% and the percentage increase in the remuneration of key managerial personnel is 19.1%. There has been an increase in the remuneration of key managerial personnel in FY 2019-20 due to the higher payments of Annual Performance

Incentive arising from better earnings performance of the Company. Further, remuneration for the KMP excludes a provision for Deferred Payment Incentive (DPI) which wasn't applicable in the previous year. The payment of this DPI is subject to the Company achieving defined profitability targets and if achieved, will be payable in FY 2022-23 based on actual performance and as may be approved by the Nomination & Remuneration Committee and the Board of Director.

(vi) The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale
Chairman
(DIN: 00013782)

Place : Mumbai
Date : September 05, 2020

Annexure 'K'

TO THE DIRECTORS' REPORT BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India (SEBI) has mandated the top 1000 entities based on market capitalization as on March 31, 2020, on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), to prepare a 'Business Responsibility Report' as part of the Annual Report. Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of the Company for the financial year ended March 31, 2020 is as under:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L92199MH1995PLC084610
2.	Name of the Company	Hinduja Global Solutions Limited
3.	Registered Address	Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai - 400018
4.	Website	www.teamhgs.com
5.	E-mail ID	investor.relations@teamhgs.com
6.	Financial Year Period	April 01, 2019 - March 31, 2020
7.	Sector(s) that company is engaged in (industrial activity code-wise)	Name and description of main product/ services: Company provides BPO services Description - IT Enabled Services – BPO NIC Code of the product/ services: 63999
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	Contact Centre Services Back Office Services Digital marketing and interactive services Healthcare Telecom Technology and Media
9.	Total number of locations where business activity is undertaken by the Company	International locations - Delivery centres in Philippines, UK, US, Canada, Jamaica and UAE (Marketing office) National locations - Delivery Centres in Bengaluru, Hyderabad, Vizag, Chennai and Mumbai - Total 61 global delivery centres
10.	Markets served by the Company (Local/ State/ National/ International)	Market served through subsidiaries/ step down subsidiaries India, US, Canada, Jamaica, UK, UAE and Philippines.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital : ₹ 208.7 Million
- Total Turnover : ₹ 23,814 Million (Standalone)
: ₹ 52,257 Million (Consolidated)
- Total Profit after Taxes : ₹ 2,517 Million (Standalone)
: ₹ 2,056 Million (Consolidated)
- Total spending on Corporate : 2% of last 3 years' average profits
Social Responsibility (CSR) as [Actual spending: ₹ 43.6 Million in FY 2020]
percentage of profit after tax (%)
- List of activities in which expenditure in 4 above has been incurred:
 - Promoting education & eradicating hunger
 - Preventive health care and sanitation

- Employment enhancing vocation skills and livelihood enhancement projects

Expenditure incurred for CSR Activities are as per the CSR Policy of the Company. The detailed Report on CSR activities carried out during the year forms part of this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

Yes. As of March 31, 2020, the Company has 22 subsidiaries (including step down) located in US, UK, Canada, Netherlands, Mauritius, St. Lucia and Jamaica.

2. Do the Subsidiary Company / Companies participate in the Business Responsibility Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

No.

3. Do any other entity/ entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]?

No. The Company does not mandate external parties to participate in the Company's Business Responsibility initiatives.

SECTION D: BUSINESS RESPONSIBILITY (BR) REPORT INFORMATION

1. Details of Director / Directors responsible for Business Responsibility Report:

a) Details of the Director / Directors responsible for implementation of the BR Policy

DIN : 00761144

Name : Partha DeSarkar

Designation : Whole-time Director

2. Principle-wise (as per NVGs) BR Policy / policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs have been articulated in the form of nine Principles as briefed below:

P1. Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3. Businesses should promote the well-being of all employees.

P4. Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5. Businesses should respect and promote human rights.

P6. Businesses should respect, protect, and make efforts to restore the environment.

P7. Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.

P8. Businesses should support inclusive growth and equitable development.

P9. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y / N)

Sl. No.	Questions	Business Ethics	Product Life cycle Sustainability	Welfare of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Value to customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Not applicable as the Company provides BPO services	Y	Y	Y	Y	No	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y	However, the Company is member of various trade bodies through which areas of concern or significance is voiced for consideration at appropriate forum.	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify?	Y		Y	Y	Y	Y		Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board of Director?	Y		#	#	#	#		Y	#
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y		Y	Y
6	Indicate the link for the policy to be viewed online?	*		^	*	^	*		*	^
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y		Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y		Y	Y	Y	Y		Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y		Y	Y	Y	Y		Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y		Y	Y	Y	Y		Y	Y

Notes:

- *Available at www.teamhgs.com
- ^Available at internal portal of the Company accessible to employees.
- #Framed and approved in consultation with respective Functional Head and / or under the authority of CEO / Executive Committee.
- Policies are framed in consultation with relevant stakeholders and ensure compliances of applicable laws.
- Respective Function / Committee monitor implementation and evaluation of the policies.

- (b) If answer to SI. No 1 against any principle, is 'No', please explain why:

Requisite details are provided in the above table i.e. Section D point 2(a) forming part of this report.

3. Governance related to Business Responsibility:

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

CEO/ Business or Functional Heads review the performance of respective policies covering the principle given in the Business Responsibility Report on an annual basis.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report of the Company and it forms a part of the Annual Report 2019-20; and the same is also available on the Company's website www.teamhgs.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. The policy (Code of Conduct for Board Members, the Senior Management Personnel and Employees) covers the Company. The Code of Conduct is designed to promote honest and ethical conduct, ensure full, fair, accurate and timely disclosure of information and compliance with applicable laws, rules and regulations. The objective of the Code of Conduct is to uphold the ethical standards of integrity and probity, act objectively and constructively while exercising his/her duties, not to derive personal benefit or undue advantages by virtue of their position or relationship with HGS.

Further, Policy on "Professional Standards and Code of Conduct" extended to consultants or employees of a vendor who may provide services to the Company at the Company's workplace.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholders' complaints

During FY 2020, three (3) complaints were received from the Company's equity shareholders. There was no complaint pending as on March 31, 2020. The statement providing the details of investor complaints are also disseminated to the Stock Exchanges on a quarterly basis.

Principle 2: Product Lifecycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Not applicable as Company provides BPO services.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):

Not applicable as Company provides BPO services.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

No, the Company does not have procedures in place for sustainable sourcing though the Company makes efforts to buy the goods that help sustainability.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company has developed gifting vendors from local and sustainable producers. As part of Diwali gifting this year, the Company has engaged with an NGO (Diya International) and procured handmade eco-friendly products. The Company has also scaled them up to be regular partners for Company's Diversity & Inclusion initiatives.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable

Principle 3: Employee Wellbeing

Sl. No.	Particulars	Details (As on March 31, 2020)	
1	Please indicate the Total number of employees	12,569	
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	Temporary employees: Nil Contractual employees: 732 Casual basis : Nil Total : 732	
3	Please indicate the Number of permanent women employees	5,559	
4	Please indicate the Number of permanent employees with disabilities	161	
5	Do you have an employee association that is recognized by management	None	
6	What percentage of your permanent employees is members of this recognized employee association?	NA	
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year		
	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
	Child labour/forced labour/ involuntary labour	None	None
	Sexual harassment	25*	2
	Discriminatory employment	None	None
	*One complaint was filed and withdrawn by the complainant before the case even started.		
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?		
		Skill	Safety
a)	Permanent Employees	100%	100% twice a year
b)	Permanent Women Employees	100%	100% twice a year
c)	Casual/Temporary/Contractual Employees	As required on case to case basis	100% twice a year
d)	Employees with Disabilities	100%	100% twice a year

Principle 4: Stakeholder Engagement

1. Has the Company mapped its internal and external stakeholders?

Yes. The Company has mapped all its stakeholders. For example, the members of the CSR Committee, CSR Forum and any employee who is directly or indirectly involved in the execution of CSR initiatives have been mapped under the internal stakeholder category. The external stakeholders comprise NGOs or other project implementation partners, local government bodies, community members, program beneficiaries, vendors and suppliers.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. For example, the beneficiaries of CSR programs have been identified as disadvantaged and vulnerable stakeholders. This section of stakeholders can be further categorized into children, youth, persons with disability (PwD), remote communities with limited healthcare access and persons with multi drug resistant (MDR) tuberculosis (TB) from lower socio-economic background. The Company's program implementation partners (NGO/others) are trusted with the identification of the beneficiaries. This process of identification generally involves associating with local government authorities, local social groups and other NGOs operating in the region.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company is committed to operate in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders.

As an equal opportunity employer, the Company has hired, trained and retained 161 employees with disability in various processes of the Company and continues to explore opportunities to hire employees from disadvantaged, vulnerable and marginalized groups.

The Company's initiatives in the areas of Corporate Social Responsibility are targeted to bring meaningful difference in the lives of its associated stakeholders.

To support the disadvantaged stakeholders, the Company supports four programs that promote holistic education among underserved children:

- Childhood to Livelihood – Magic Bus India Foundation
- Meal distribution – The Akshaya Patra Foundation
- Smart Class – Yuva Unstoppable
- Infrastructure development and remedial education – Plan India

The Company also supports two programs that provide quality healthcare to remote communities and helps with the treatment of MDR TB patients from underserved socio-economic background:

- Advanced Mobile Healthcare Unit - National Health & Education Society
- MDR-TB Treatment - National Health & Education Society

PwD and disadvantaged youth are supported through two programs that provide skill development training and enable employment:

- PwD Employment COE – NASSCOM Foundation
- Youth Learning Program - Magic Bus India Foundation

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ JV/ Suppliers/ Contractors/ NGO/ Others?

The Company is an equal opportunity employer providing employment and advancement opportunity to all individuals that is fair and reflect diversity in all aspect of employment and ensure that all applicable laws, wherever it operates, are adhered to including laws relating to human rights. The Company promotes diversity and inclusion.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

No stakeholder complaint received in the reporting period with regards to human rights violations.

Principle 6: Environmental Management

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Environmental Policy is applicable to all the Company owned/ leased facilities. The Company is committed to provide services to its customer in a manner that ensures safe and healthy workplace, minimise the impact on the environment, minimise waste and promote reuse or recycle to the extent possible.

The Policy also aims to communicate Company's environmental commitment to clients, customer and the public and encourage them to support it.

- 2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

The Company constantly endeavors to make carbon footprint smaller with each passing year and has taken several initiatives to create positive impact on the environment.

- 3. Does the Company identify and assess potential environmental risks?**

Yes

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Currently, the Company has not undertaken any project related to Clean Development Mechanism. Nonetheless, the Company is committed to comply with all applicable environmental laws.

- 5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink to web page etc.**

The Company constantly endeavours to make carbon footprint smaller with each passing year. The Company makes sustained efforts to reduce, optimize the use of energy consumption and increase efficiency of the systems across geographies. Among the various measures taken during the fiscal, the Company enhanced the virtualization of server infrastructure and leveraged Cloud for Work@Home offerings. This has helped reduce investment on desktops and decrease carbon foot print due to low power consumption.

Some of the initiatives on clean technology, energy efficiency, renewable energy are as under:

- Certificate from Pollution Control Board for installation of DG set, STP and disposal of Hazardous Waste
- Reuse of treated water from STP for flushing and watering of Garden plants
- Water saving through use of Tap Aerators in Wash rooms
- Energy savings through use of light sensors, switching off ACs on sparsely occupied floors and use of LED lights
- Deployment of 5-star Power efficiency rating ACs in standalone mode
- Automation of entries in the registers at various entry points to reduce use of stationery
- Use of Sun films and Venetian blinds to reduce dissipation of heat

- 6. Are the Emissions / Waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the financial year being reported?**

The Company provides BPO services and is a non-pollution generating Industry. Further, there is no emission or industrial wastes generated by the Company.

- 7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

Nil. The Company has not received any show cause notices from CPCB or SPCB.

Principle 7: Public Advocacy

- 1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

In India, the Company is a member of three trade associations –

- National Association of Software and Services Companies (NASSCOM)

The Company's Executive Director and Global CEO Mr. Partha DeSarkar is the current Chairperson of the NASSCOM BPM Council, a team of 10+ industry leaders, who drive the growth charter along with NASSCOM for the BPM industry in India

- Confederation of Indian Industry (CII)
- Bangalore Chamber of Industry and Commerce (BCIC)

Outside India, the Company is associated with the IT and Business Process Association of the Philippines (IBPAP) and International Association of Outsourcing Professionals (IAOP) that is based in the US.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company has leveraged its relationship with associations such as NASSCOM and CII to support or seek change in govt. advocacy issues such as -

- Taxation related challenges for the BPM industry such as GST (Economic Reforms)
- Enable initiatives like maternity benefits, childcare program, and work from home (especially during the COVID-19 pandemic) (Inclusive Development Policies)
- Working with NASSCOM to create and deploy industry-specific curriculum at colleges (Inclusive Development Policies)

Principle 8: Inclusive Growth

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. The Company considers Corporate Social Responsibility as an important aspect of its operations. It has aligned its focus areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, Company has a Board Level Committee called the Corporate Social Responsibility (CSR) Committee. The details of various CSR initiatives of the Company are given in the Corporate Social Responsibility report forming part of Boards' Report.

2. Are the programmes/ projects undertaken through in-house team / own foundation/ external NGO/ government structures / any other organization?

The projects are undertaken in co-ordination with external agencies, NGOs and government institutions. The on-ground implementation of projects is done in partnership with external organizations like NGOs and government institutions who supply the project progress report and fund utilization data to an external CSR project management agency. This agency then reports on all projects to the internal teams. The internal teams are also regularly coordinating with the implementation partners to monitor progress, resolve challenges, make recommendations and engage employee volunteers in supporting the projects through their contributions of time and effort.

3. Have you done any impact assessment of your initiatives?

The impact assessment of the projects undertaken occur at several levels:

Identification of project: Every project is identified and approved by the CSR committee after careful analysis of impact areas and ensuring its alignment with the Company's focus areas and goals.

Governance: Each project has specific impact deliverables that need to be met. The CSR team reviews the progress of the project and ensures impact measurement at frequent intervals.

Internal audit: Internal audit conducts a detailed analysis of all aspects of CSR initiatives and measures the social impact.

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company has spent an amount of INR 43.6 Million in various CSR activities during FY 2020. The details of the amount incurred, and a brief on the projects are mentioned in the Corporate Social Responsibility report forming part of Boards' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The Company firmly believes that community development initiatives are adopted by the community as required. To ensure successful adoption of the Company's initiatives by the communities, many of the NGO partners involve local government bodies in their operations. This enables easy dissemination of program related information and helps gain acceptance for the program within the communities. This, in turn, promotes enrolment and builds sustainability. For example, the 'Childhood to Livelihood' program of Magic Bus India Foundation (and supported by the Company) engages the District Education Officer & government school teachers in their activities.

The Akshaya Patra Foundation (TAPF) and Plan India work with the state government for school selections and permission to engage.

Additionally, some of the Company's programs create impact beyond their scope of assigned beneficiaries and contribute to the welfare of the larger community. For example, TAPF provides meals to the family members of students and local residents during festivals. The Advanced Mobile Healthcare Unit conducts awareness sessions and WASH (water, sanitation and hygiene) campaigns for the villagers.

Principle 9: Value for Customers

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (Additional information)

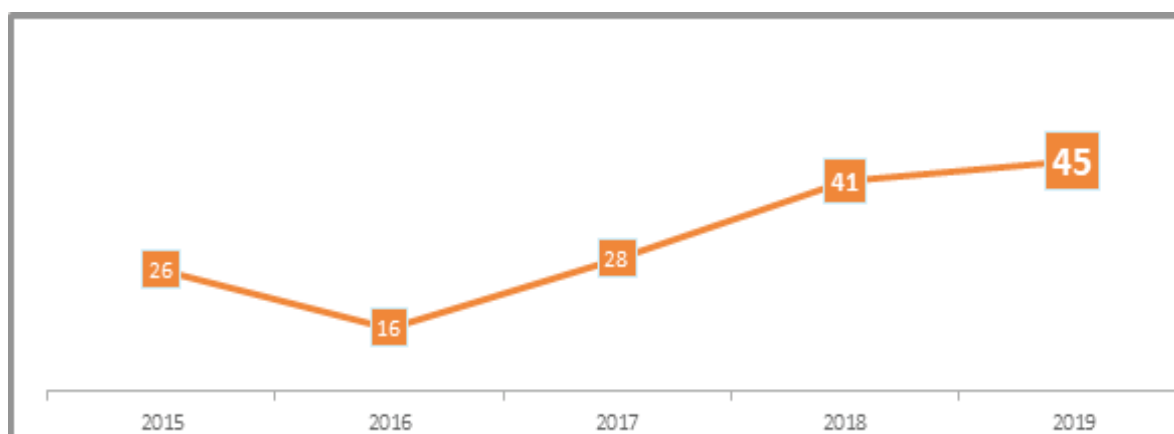
Not applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.

Nil

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company carries out Client Satisfaction survey every year. The Company has seen improvement trend both in terms of Client Satisfaction scores (NPS-Net Promoter Score) and the response rate (% of client participating in survey). Following is the last 5 years' trend of NPS. The Company has achieved the highest NPS score of 45 in the survey conducted in FY 2020. Also 97% of the 159 client organizations polled and 88% of the 645 client contacts polled responded to the survey in FY 2019-20.



For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale

Chairman
(DIN: 00013782)

Place : Mumbai

Date : September 05, 2020

AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUJA GLOBAL SOLUTIONS LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **HINDUJA GLOBAL SOLUTIONS LIMITED** ("the Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the branch of the Group located at Philippines.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors and other auditors on financial information of the branch and subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

AUDITORS' REPORT

Key Audit Matter	Auditor's Response
1. Impairment Assessment of Goodwill related to UK Operations and HGS Axispoint Health LLC Cash Generating Units (CGUs). We identified goodwill for UK Operations and HGS Axispoint Health LLC CGUs as a key audit matter because of the significant estimates and assumptions management makes to estimate the fair value of UK Operations and HGS Axispoint and the sensitivity of these operations to changes in demand. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to forecasts of future revenues, operating margins, and selection of the discount rates. The Company determines the fair value of its reporting units using the discounted cash flow model. The determination of the fair value using the discounted cash flow model requires management to make significant estimates and assumptions related to forecasts of future revenues, operating margins, and discount rates. As disclosed in Note 35 to the Consolidated Financial Statements as at and for the year ended March 31, 2020, the carrying value of goodwill attributable to the UK Operations was Rs. 9,818.40 Lakhs. The UK CGU has losses and management has made a number of key assumptions and assertions to support their assessment of the carrying value of goodwill attributable to this CGU. There is no impairment on goodwill for the UK Operations for the year ended March 31, 2020. As disclosed in Note 35 and 49 to the consolidated financial statements as at and for the year ended March 31, 2020, the carrying value of goodwill attributable to the HGS Axispoint Health LLC CGU has been impaired during the year ended March 31, 2020 and an impairment loss of Rs. 1,794.53 Lakhs has been recognized in the consolidated statement of profit or loss	Principal Audit Procedures In relation to management's assessment of the carrying value of goodwill for the UK Operations and HGS Axispoint Health LLC cash generating units our audit procedures included, among others: • We tested the effectiveness of controls over management's goodwill impairment evaluation, such as controls related to management's forecasts and selection of the discount rates. • Assessing the valuation methodology adopted by management which is disclosed in Note 35 to the consolidated financial statements; • Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; • Analysed the consistency of cash flow forecasts with management's latest estimates presented to the Board of Directors as part of the budget process; • We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts; • Compared the cash flow forecasts for financial years 2020-21 to 2021-22 with the business plans used for prior year impairment testing, wherever applicable; • Tested the sensitivity of value in use to a change in the main assumptions used by Management; • Reviewed the appropriateness of the disclosures in the financial statements; • With the assistance of our fair value specialists, we evaluated the discount rates, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rates selected by management. • With the assistance of our fair value specialists, we evaluated the discount rates and terminal growth rate, including testing the underlying source information and mathematical accuracy of the calculations.

AUDITORS' REPORT

Key Audit Matter	Auditor's Response
2 Recoverability of Deferred tax Assets on unused tax losses: The Company recognizes deferred tax assets on unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be used. Future realization of deferred tax assets depends on the existence of sufficient taxable income of the appropriate character. Sources of taxable income include future reversals of deferred tax assets and liabilities, expected future taxable income, and tax planning strategies. The Management has determined that it is probable that sufficient taxable income will be generated in the future to realize its deferred tax assets. The Company's deferred tax assets as of March 31, 2020 were Rs. 2,144.34 lakhs in respect of unused tax losses of HGS Canada Inc. We identified management's determination of the recoverability of deferred tax assets in respect of carryforward of unused tax losses as a key audit matter as probability of the realization of these deferred tax assets involves significant judgements and estimates management makes related to taxable income, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimates of taxable income.	Principal Audit Procedures Our audit procedures in relation to management's assessment about the realization of the deferred tax assets included, among others: • We evaluated management's assessment on the sufficiency of future taxable profits for each tax jurisdiction in support of the recoverability of the deferred tax assets by evaluating the reasonableness of the methods, assumptions, and judgements used in the managements business plan; • We evaluated management's ability to accurately estimate taxable income by comparing actual results to management's historical estimates and evaluating whether there have been any changes that would affect management's ability to continue accurately estimating taxable income. • We evaluated existing deferred tax liabilities in the same tax jurisdiction that may be used to offset existing unused tax losses prior to their expiry date; • We analysed the consistency of cash flow forecasts with management's latest estimates presented to the Board of Directors as part of the budget process; • We evaluated whether the estimates of future taxable income were consistent with evidence obtained in other areas of the audit • We tested the reasonableness of the managements estimate of the business plan data and long-term growth rates accurately reflected those used in the measurement of deferred taxes; • We conducted a critical review of the assumptions used by management to prepare profit and loss forecasts; • We assessed the applicable local fiscal regulations and developments, in particular those related to changes in the statutes of limitation since this is a key assumptions underlying the valuation of the deferred tax assets; • We reviewed the adequacy of the Company's disclosures for deferred tax assets.

AUDITORS' REPORT

Key Audit Matter	Auditor's Response
3 Revenue recognition and measurement in respect of unbilled revenues as at March 31, 2020 The Company, in its contracts with customers, promises to transfer distinct services ('performance obligations') which may be rendered in the form of back office processing, claim processing, and contact center services. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services ('transaction price'). At each reporting date, revenue is accrued for work performed that may not have been invoiced. On account of the possible disruption from the pandemic relating to COVID-19, judgment is required to: - Identify whether the Company's performance have resulted in a billable service that is collectable where the service deliveries have not been acknowledged by customers as at March 31, 2020. - Determine whether the service levels required under the contracts with customers have been met and measure the penalties for non-compliance, where applicable. Recognition of revenue before acknowledgment of receipt of services by customer and not recognizing penalties for not meeting the service levels defined in the contract, where applicable, could result in an overstatement of revenue and correspondingly, the profit. Accordingly, we consider accrual of unbilled revenues as a key audit matter.	Principal Audit Procedures Our audit procedures in relation to management's estimation of unbilled revenues included, among others: • We gained an understanding of the Company's processes in collating the evidence supporting delivery of services, for quantifying units of services that would be invoiced and the application of appropriate prices for each of such services. • We tested the design and operating effectiveness of controls in collating the units of services delivered and in the application of accurate prices for each of such services. • We have tested a sample of unbilled revenues as at March 31, 2020 with reference to the customer confirmations or reports from information systems that record the inputs relating to the services delivered to confirm the units of services delivered and contractual rates for the application of appropriate price for each of services. • We extended our audit procedures to the date of approval of financial statements by the Board of Directors of the Company to verify the subsequent invoicing of the unbilled revenues. We have also determined whether adjustments, if any, are necessary upon receipt of approvals from customers for services delivered prior to March 31, 2020 and / or collections against those. • We have verified the ageing of unbilled receivables recognised to evaluate their reasonableness. • With respect to the impact of possible disruption from the pandemic relating to COVID-19, we held discussions with business heads. We also verified correspondences with customers approving employees to work from home and, where applicable, waiver of the contractual penalties relating to service levels.
3. Measurement of acquired intangible assets We identified the identification and valuation of the intangible assets included in the purchase price allocation on acquisition of CMH Services Subsidiary LLC (Axispoint Health), USA and Element Solutions LLC, USA, as a key audit matter as the identification and valuation of intangible assets acquired involves judgements by management on the future cash flows and the discount rate. As disclosed in Note 42 to the consolidated financial statements, the Company has recognized identified intangible assets of ₹ 2,326.21 Lakhs as customer relationships, ₹827.40 Lakhs as technology, ₹ 453.90 Lakhs as customer contracts and ₹119.97 Lakhs as Non-compete.	Principal Audit Procedures The fair value of the acquired intangible assets are based on valuation techniques built, in part, on the assumptions around the future cash flows linked to the customer relationships, technology, customer contracts and non-compete and assumptions made in determining the discount rate. In assessing the purchase price allocation to customer relationships, customer contracts, technology and non-compete our audit procedures, which included, among others: • Evaluated the cash flow forecasts considered by the management supporting the valuation of the intangible assets identified and assessed if these are reasonable; • We engaged our internal fair valuation specialists to assess the appropriateness of the methodology and the key assumptions considered including the discount rate; • Meeting with the independent valuation specialist engaged by the management to understand the methodology and assumptions they used in identification and valuation of the intangible assets acquired; • Evaluated the adequacy of the disclosures.

Information Other than the Financial Statements and Auditor's Report Thereon

AUDITORS' REPORT

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Corporate Governance report and Management Discussion & Analysis Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report, Corporate Governance report and Management Discussion & Analysis Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, when it becomes available and, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report, Corporate Governance report and Management Discussion & Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

AUDITORS' REPORT

related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branch, entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other branch or entities or business activities included in the consolidated financial statements, which have been audited by the branch auditors or other auditors, such branch auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial information of a branch included in the standalone financial information of the companies included in the Group whose financial statements reflect total assets of Rs. 92,596.64 lakhs as at March 31, 2020 and total revenue of Rs. 88,440.02 lakhs for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial information of this branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch, is based solely on the report of such branch auditors.
- We did not audit the financial information of two subsidiaries, whose financial information reflect total assets of Rs. 106,246.62 lakhs as at March 31, 2020, total revenues of Rs. 57,475.75 lakhs and net cash (outflows) amounting to Rs. (1,212.76) lakhs for the year ended on that date, as considered in the consolidated financial statements.. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

AUDITORS' REPORT

- (c) We did not audit the financial information of eight subsidiaries, whose financial information reflect total assets of Rs.30,804.01 lakhs as at March 31, 2020, total revenues of Rs. 17,064.07 lakhs and net cash inflows amounting to Rs. 2,017.64 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial information of the branch and subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept and proper returns adequate for the purposes of our audit have been received from the branch not visited so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The reports on the accounts of the branch office of the Companies included in the Group audited under Section 143(8) of the Act by branch auditors have been sent to us other auditors and have been properly dealt with by us in preparing this report.
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements and with the returns received by us and the other auditors from the branch not visited by us.
 - e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - f) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
Partner
(Membership No.60408)
UDIN: 20060408AAAABW7973

Place : Bengaluru

Date : July 31, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph “g” under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hinduja Global Solutions Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020 we have audited the internal financial controls over financial reporting of **HINDUJA GLOBAL SOLUTIONS LIMITED** (hereinafter referred to as “the Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on, the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financials controls over financial reporting insofar as it relates to one branch is based solely on the corresponding reports of the branch auditors.

Our opinion is not modified in respect of the above matters..

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
Partner
(Membership No.60408)
UDIN: 20060408AAAAABV5090

Place : Bengaluru

Date : July 31, 2020

CONSOLIDATED BALANCE SHEET

(All amounts are in Rupees Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	53,209.95	59,309.59
b) Right to use asset	3	77,979.80	-
c) Capital work-in-progress	2	482.87	488.14
d) Other intangible assets	4a	8,172.37	10,415.93
e) Goodwill	4b	33,918.31	33,550.15
f) Financial Assets			
i) Investments	5a	477.83	420.63
ii) Loans	6	-	8,486.96
iii) Other financial assets	7	6,104.15	6,759.79
g) Deferred tax assets (net)	37	10,475.98	4,183.54
h) Income tax assets (net)	8a	8,271.72	6,138.94
i) Other non-current assets	9	2,756.94	5,296.83
Total non-current assets		201,849.92	135,050.50
Current assets			
a) Financial Assets			
i) Investments	5b	554.29	1,032.38
ii) Trade receivables	10	98,932.85	116,622.79
iii) Cash and cash equivalents	11a	53,082.43	32,324.61
iv) Bank balances other than (iii) above	11b	410.41	415.74
v) Loans	12	43,232.52	-
vi) Other financial assets	13	1,645.44	2,782.60
b) Other Current assets	14	7,468.64	8,627.81
Total current assets		205,326.58	161,805.93
Total assets		407,176.50	296,856.43
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	15	2,086.59	2,083.89
b) Other equity		169,861.26	162,274.92
Equity attributable to the equity holders of the company		171,947.85	164,358.81
c) Non-controlling interest		1,235.78	758.14
Total equity		173,183.63	165,116.95
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	16a	30,198.32	37,019.05
ii) Lease Liability	17a	72,914.37	845.72
iii) Other financial liabilities	18	5,333.24	2,861.38
b) Provisions	19	13,308.24	7,556.07
c) Deferred tax liabilities (net)	34	2,708.33	1,391.95
d) Other non-current liabilities	20	152.54	768.04
Total non-current liabilities		124,615.04	50,442.21
Current liabilities			
a) Financial liabilities			
i) Borrowings	16b	19,697.94	16,030.11
ii) Lease Liability	17b	11,492.91	265.50
iii) Trade payables	21	28,175.23	24,124.52
iv) Other financial liabilities	22	33,742.28	26,265.89
b) Provisions	23	5,775.88	5,280.00
c) Current tax liabilities (net)	8b	3,013.10	1,106.15
d) Other current liabilities	24	7,480.49	8,225.10
Total current liabilities		109,377.83	81,297.27
Total liabilities		233,992.87	131,739.48
Total equity and liabilities		407,176.50	296,856.43

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria

Partner

Membership No.060408

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

Place : Mumbai

Srinivas Palakodeti

Chief Financial Officer

Place : Bengaluru

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Bengaluru

Mahadevan. S

Company Secretary

Place : Bengaluru

Place : Bengaluru
Date : July 31, 2020

Date : July 31, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in Rupees Lakhs, except per share data)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations			
I Revenue from operations	25	498,650.37	447,039.90
II Other income	26	5,713.23	4,353.38
III Total income (I+II)		504,363.60	451,393.28
IV Expenses			
a) Employee benefit expenses	27	332,787.45	301,732.99
b) Finance costs	28	9,424.09	3,981.33
c) Depreciation and amortization expenses	29	29,124.35	17,839.14
d) Other Expenses	30	99,185.57	103,495.99
Total expenses		470,521.46	427,049.45
V Profit before exceptional items and tax		33,842.14	24,343.83
VI Exceptional items	49	2,112.14	-
VII Profit before tax		31,730.00	24,343.83
VIII Tax expense			
a) Current tax	36	12,583.95	6,990.88
b) Deferred tax	36	832.83	(53.15)
c) Tax relating to prior years	36	(90.92)	128.30
Total tax expense		13,325.86	7,066.03
IX Profit for the period from continuing operations		18,404.14	17,277.80
Discontinued Operations			
(a) Profit before tax from discontinued operations	45	3,189.16	470.37
(b) Tax expense of discontinued operations	45	1,031.98	108.82
X Profit after tax from discontinued operations [(a)-(b)]		2,157.18	361.55
XI Profit for the period		20,561.32	17,639.35
XII Other comprehensive income			
A Items that will not be reclassified to statement of profit and loss			
a) Remeasurements of defined benefit plans			
- Continuing Operations		(882.04)	(2,577.56)
- Discontinued operations		(36.72)	(5.66)
b) Income tax on above item		210.02	290.50
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		(708.74)	(2,292.72)
B Items that will be reclassified to profit or loss			
a) Effective Portion of designated portion of hedging instruments in a cash flow hedge		(8,488.34)	1,483.81
b) Income tax on above item		3,010.19	(382.32)
c) Net change in fair value of hedges of net investment in foreign operations		(1,217.24)	198.74
d) Exchange differences in translating the financial statements of foreign operation		7,996.92	2,558.02
e) Income tax on above items		(1,129.43)	(444.90)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		172.10	3,413.35
XIII Other comprehensive income for the year, net of tax [A + B]		(536.64)	1,120.63
XIV Total comprehensive income for the year (both continuing and discontinued operations)		20,024.68	18,759.98
XV Profit for the year attributable to:			
a) Equity holders of the company		20,194.32	17,717.88
b) Non-controlling interests		367.00	(78.53)
		20,561.32	17,639.35
XVI Other comprehensive income for the year attributable to:			
a) Equity holders of the company		(627.32)	1,095.32
b) Non-controlling interests		90.68	25.31
		(536.64)	1,120.63
XVII Total Other comprehensive income attributable to:			
a) Equity holders of the company			
- Continuing operations		17,433.71	18,437.42
- Discontinued operations		2,133.29	375.78
b) Non-controlling interests		457.68	(53.22)
		20,024.68	18,759.98
XVIII Earning per equity share (both continuing and discontinued operations) [equity share par value share ₹ 10/- each]			
Basic	33	96.85	85.08
Diluted	33	96.79	84.96
Earning per equity share (continuing operations) [equity share par value share ₹ 10/- each]			
Basic		86.51	83.34
Diluted		86.45	83.22
Earning per equity share (discontinued operations) [equity share par value share ₹ 10/- each]			
Basic		10.34	1.74
Diluted		10.34	1.74

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria

Partner

Membership No.060408

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

Place : Mumbai

Srinivas Palakodeti

Chief Financial Officer

Place : Bengaluru

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Bengaluru

Mahadevan. S

Company Secretary

Place : Bengaluru

Place : Bengaluru

Date : July 31, 2020

Date : July 31, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in Rupees Lakhs)

A. Equity Share Capital

Particulars	Notes	Amount
Balance as at April 1, 2018		2,080.02
Changes in equity share capital during the year	15	3.87
Balance as at March 31, 2019		2,083.89
Changes in equity share capital during the year	15	2.70
Balance as at March 31, 2020		2,086.59

B. Other Equity

	Reserves and Surplus					Other comprehensive income			Total attributable to equity holders of the company	Non-controlling interest	Total
	Capital reserve	Securities Premium reserve	General reserve	Retained Earnings	Share application money pending allotment	Employee stock options outstanding	Foreign currency translation reserve	Cash Flow Hedging Reserve Account	Other items of Other comprehensive income		
As at April 1, 2018	24,273.83	944.03	53,897.61	71,136.85	-	89.38	1,169.03	55.02	(1,693.73)	(71.98)	149,800.04
Profit for the year	-	-	-	17,717.88	-	-	-	-	-	(78.53)	17,639.35
Other Comprehensive Income	-	-	-	-	-	-	2,311.78	1,101.49	(2,292.72)	25.31	1,145.86
Total	24,273.83	944.03	53,897.61	88,854.73	-	89.38	3,480.81	1,156.51	(3,986.45)	(125.20)	168,585.25
Transaction with owners in their capacity as Equity holders of the company:											
Additions/ Adjustment during the year	-	-	-	(4,120.76)	-	-	-	-	-	883.34	(3,237.42)
Employee stock options	-	186.91	-	-	21.66	(12.34)	-	-	-	-	196.23
Dividends (including dividend tax thereon)	-	-	-	(2,511.00)	-	-	-	-	-	-	(2,511.00)
As at March 31, 2019	24,273.83	1,130.94	53,897.61	82,222.97	21.66	77.04	3,480.81	1,156.51	(3,986.45)	758.14	163,033.06
Effect of change in accounting policy for initial application of Ind AS 116	-	-	-	(6,398.57)	-	-	-	-	-	-	(6,398.57)
As at April 1, 2019	24,273.83	1,130.94	53,897.61	75,824.40	21.66	77.04	3,480.81	1,156.51	(3,986.45)	758.14	156,634.49
Profit for the year	-	-	-	20,194.32	-	-	-	-	-	367.00	20,561.32
Other Comprehensive Income	-	-	-	-	-	-	5,650.25	(5,478.15)	(708.74)	90.68	(445.96)
Total	24,273.83	1,130.94	53,897.61	96,018.72	21.66	77.04	9,131.06	(4,321.64)	(4,695.19)	1,215.82	176,749.85
Transaction with owners in their capacity as Equity holders of the company:											
Adjustment during the year	-	-	-	(97.02)	-	-	-	-	-	19.96	(77.06)
Additions during the year	-	-	-	-	(21.66)	(20.57)	-	-	-	-	(42.23)
Employee stock options	-	124.87	-	-	-	-	-	-	-	-	124.87
Dividends (including dividend tax thereon)	-	-	-	(5,658.39)	-	-	-	-	-	-	(5,658.39)
As at March 31, 2020	24,273.83	1,255.81	53,897.61	90,263.31	-	56.47	9,131.06	(4,321.64)	(4,695.19)	1,235.78	171,097.04

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in Rupees Lakhs)

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges

	As at	
	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	1,750.14	272.27
Changes in fair value of effective portion of derivatives	(4,887.02)	(1,247.26)
Net (gain)/loss reclassified to statement of profit and loss on occurrence of hedged transactions	(3,605.32)	2,725.13
Balance as at the end of the year	(6,742.20)	1,750.14
Deferred tax thereon	2,420.56	(593.63)
Balance as at the end of the year, net of deferred tax	(4,321.64)	1,156.51

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As general reserve is created by transfer from one component of equity to another and not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit or loss.

Cash flow hedging reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale, as described within note 42. For hedging foreign currency risk, the group uses foreign currency forward contracts which are designated as cash flow hedges.

To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to statement of profit or loss when the hedged item affects statement of profit and loss.

Employee Stock Options Outstanding

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under Hinduja Global Solutions Employee stock option plan. The amounts recorded in this reserve are transferred to Securities premium upon exercise of stock options.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency i.e. Indian rupee (INR) are recognized directly in other comprehensive income and accumulated in Foreign currency translation reserve.

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in Rupees Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
Profit before tax for the Year		
- Continuing operations	31,730.00	24,343.83
- Discontinuing Operations	3,189.16	470.37
Profit before tax	34,919.16	24,814.20
Adjustments for:		
Depreciation and amortization expenses	32,995.44	19,682.41
Employee share-based compensation (income)/expense	(20.58)	(12.34)
Loss/(Gain) on disposal of property, plant and equipment and Write-off	(16.02)	111.58
Provision for doubtful debts	368.27	1,577.29
Bad Debts/ Advances Written off	131.87	117.61
Income on termination of leases	(2,642.87)	-
Unwinding of discount on security deposits	(1,879.02)	(263.43)
Provision for doubtful debts written back	(3.13)	(9.08)
Proceeds from sale of business reclassified as investing activities	(965.78)	(3,114.43)
Interest income	(1,280.85)	(1,552.58)
Finance costs	10,315.51	4,063.60
Amortization of rent expense and deferred revenue	-	641.54
Net exchange differences	(2,054.06)	1,785.89
Non cash exceptional items	2,112.14	-
Change in operating assets and liabilities:		
(Increase) in trade receivables	19,577.51	(33,417.55)
Decrease in other financial assets	1,807.22	1,650.75
(Increase) in other non-current assets	(472.87)	593.54
(Increase) in other current assets	1,042.25	(1,042.75)
Increase in trade payables	3,428.02	5,281.79
Increase in other financial liabilities	(503.87)	4,011.58
Increase in provisions	5,674.23	999.16
Increase in other liabilities	(232.61)	(1,284.98)
Net cash generated from operating activities	102,299.96	24,633.80
Income taxes paid (net)	(13,925.36)	(7,587.88)
Net cash generated from operating activities	88,374.60	17,045.92
Cash flows from investing activities		
Payment for acquisition of business	(1,155.25)	(11,748.90)
Proceeds from sale of business	3,591.74	3,696.12
Payments for property, plant and equipment	(11,763.74)	(19,403.94)
Payments for purchase of investments	(1,913.18)	(1,654.56)
Proceeds from sale of investments	2,334.07	1,319.72
Proceeds from sale of property, plant and equipment	492.87	796.07
Payments incidental to sale of domestic business	(288.00)	-
Dividends received	-	187.99
Bank Deposits	5.33	928.92
Loans Given	(34,000.00)	-
Interest received	1,145.49	1,510.67
Net cash used in investing activities	(41,550.67)	(24,367.91)

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in Rupees Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Proceeds from issues of shares	105.95	212.43
Proceeds from borrowings	23,614.19	16,307.70
Repayment of borrowings	(26,613.85)	(18,053.88)
Repayment of Lease liability	(10,955.94)	(206.31)
Interest paid	(10,317.44)	(4,018.34)
Dividends paid (including dividend tax)	(5,659.40)	(2,510.90)
Net cash used in financing activities	(29,826.49)	(8,269.30)
Net increase/ (decrease) in cash and cash equivalents	16,997.44	(15,591.31)
Cash and cash equivalents at the beginning of the financial year	32,324.61	46,156.22
Transfer of Opening Balances of HGS Axis Point Health LLC and Element Solutions LLC on account of acquisition of business	-	394.77
Effects of exchange rate changes on cash and cash equivalents	3,760.38	1,364.93
Cash and cash equivalents at end of the year	53,082.43	32,324.61
Balances per statement of cash flows	53,082.43	32,324.61

Reconciliation of borrowings as disclosed in financing activities and Note 16 to the financial statements:

Particular	As at April 1, 2019	Cash Changes		Non Cash Changes				As at March 31, 2020
		Repayment	Proceeds	IND AS 116 Adoption	Additions to Lease liabilities (net)	Exchange difference/ FCTR	Others*	
Term loans	29,286.28	(6,642.24)	304.71	-	-	2,164.00	46.51	25,159.25
External commercial borrowings	13,906.35	(50.09)	-	-	-	1,217.23	59.43	15,132.92
Bank Overdrafts	16,030.11	(19,787.74)	22,541.31	-	-	908.03	6.22	19,697.94
Lease liabilities	1,111.22	(10,955.94)	-	77,381.12	17,217.21	(346.33)	-	84,407.28
Others	0.69	(247.87)	768.17	-	-	23.45	-	544.43

Particulars	As at April 1, 2018	Cash Changes		Non Cash Changes			As at March 31, 2019
		Repayment	Proceeds	Additions to Lease liabilities	Exchange difference/ FCTR	Others*	
Term loans	33,696.53	(8,366.85)	2,096.79	-	1,803.50	56.30	29,286.28
External commercial borrowings	-	-	14,055.00	-	(198.74)	50.09	13,906.35
Bank Overdrafts	24,287.41	(9,293.61)	155.91	-	872.70	7.70	16,030.11
Obligations under finance leases	212.67	(206.31)	-	1,116.78	(11.92)	-	1,111.22
Others	393.13	(393.42)	-	-	0.98	-	0.69

* Other column includes the accrued but not paid interest on borrowings.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria
Partner
Membership No.060408

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish
Director
DIN: 00001685
Place : Mumbai

Srinivas Palakodeti
Chief Financial Officer
Place : Bengaluru

Partha DeSarkar
Executive Director
DIN: 00761144
Place : Bengaluru

Mahadevan. S
Company Secretary
Place : Bengaluru

Place : Bengaluru
Date : July 31, 2020

Date : July 31, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Background

Hinduja Global Solutions Limited ("HGS") is a public limited Company, domiciled in India and it's incorporated under the provisions of The Companies Act 1956 and is engaged in Business Process Management. HGS with its subsidiaries offer voice and non-voice based services such as contact center solutions and back office transaction processing across America, Canada, Europe, Asia and Middle East. Its ordinary shares (equity) are listed on the two registered stock exchanges in India i.e National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The address of its registered office is 171, Hinduja House, Dr. Annie Besant Road, Worli, Mumbai 400018.

These Consolidated financial statements were authorized to be approved by the Board of Directors on July 31, 2020.

a Basis of preparation of financial statements

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under sec. 133 of Companies Act 2013 as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in lakhs of Indian rupees (in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

(ii) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- Share-based payments"

b Use of estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is provided below.

i) Revenue recognition

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the Company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Group estimates the unbilled receivables (representing revenues recognized for services rendered between the last billing date and the balance sheet date), discounts, incentives, performance bonuses, etc. based on estimates of performance obligations satisfied and historical experience.

ii) Estimation of Provisions & Contingent Liabilities.

The group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 31).

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

iii) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations. The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 38 for the details of the assumptions used in estimating the defined benefit obligation.

iv) Useful lives of property, plant and equipment

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

v) Useful lives of intangible assets

The Company amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually

vi) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods."

vii) Deferred taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Viii) Impairment testing

Goodwill is required to be assessed for impairment for every Cash Generating Unit (CGU) on a yearly basis. For the purposes of the same, the group calculates the recoverable amount of the CGU. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of the CGU is based on discounted cash flow model. The cash flows are derived from the budget for the future years. The recoverable amount is sensitive to the discount rates used in discounted cash flow model as well as growth rate used for estimate and involves use of significant estimates and assumptions including turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer note 35 for the details of assumptions used in estimation of impairment of goodwill.

ix) Expected credit losses on financial assets

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Accounting of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

x) Business combination

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Accounting of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction."

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

xi) Leases

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- i) Identifying whether a contract (or part of a contract) includes a lease;
- ii) Determining whether it is reasonably certain that an extension or termination option will be exercised;
- iii) Classification of lease agreements (when the entity is a lessor);
- iv) Determination of whether variable payments are in-substance fixed;
- v) Establishing whether there are multiple leases in an arrangement;
- vi) Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- i) Estimation of the lease term;
- ii) Determination of the appropriate rate to discount the lease payments;
- iii) Assessment of whether a right-of-use asset is impaired."

xii) Other estimates

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction.

Estimation uncertainty relating to COVID-19 outbreak:

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. There were no changes to our internal control over Consolidated financial statements that have materially affected or are reasonably likely to materially affect our internal control over financial reporting during the period covered in this Consolidated financial statements.

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Group has considered internal and external information up to the date of approval of these consolidated financial statements including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The Group basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. All intra group balances, transactions, income and expenses are eliminated in full on consolidation. The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterCompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate an investment because of a loss of control, any retained interest in the entity is premeasured to its fair value with the change in carrying amount recognized in statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to statement of profit and loss.

d Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Hinduja Global Solutions Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities are translated at the closing rate at the date of balance sheet.
- b. income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- c. All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR) a component of equity except to the extent that translation difference is allocated to non controlling interest.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e Revenue from contracts with customers

The Group earns revenue primarily from business process management services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Nature of the services :

The Group derives its revenue from business process management (BPM) which includes services like back office processing, contact center and HRO solutions. The Group provides BPM services, which typically involve claim processing and call center services for healthcare industry, call center services for telecom industry, which it administers and manages those services for its client on an ongoing basis. The Group combines technology powered services in automation, analytics and digital with domain expertise focusing on back office processing, contract centers and HRO solutions to deliver transformational impact to clients."

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A. Time and Material contracts

Revenue from time and material transactions and outcome based contracts are recognised as the services are performed.

B. Fixed price contracts

In respect of fixed-price contracts, where performance obligations are satisfied over a period of time, revenue is recognised by means of percentage of completion method. Under this method, revenue is recognised by applying the percentage of completion on the transaction price.

C. Others

Any change in scope or price is considered as a contract modification. The Group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price. The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled. Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs and amortised over the contract term. The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.”

The Group assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Group does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist. The Group may enter into arrangements with third party suppliers to resell products or services. In such cases, the Group evaluates whether the Group is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Group first evaluates whether the Group controls the services before it is transferred to the customer. If Group controls the services before it is transferred to the customer, Group is the principal; if not, the Group is the agent.”

New Accounting standards adopted by the Group:

Ind AS 115 – Revenue from Contract with Customers

On April 1, 2018, the Group adopted Ind AS 115, “Revenue from Contracts with Customers” using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115, did not have any material impact on the statement of profit and loss for the year ended March 31, 2019. On adoption of IND AS 115, the Company has reclassified its unbilled receivables from Financial assets to trade receivables.”

A. Contract Asset and Liabilities

The Group classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the Company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Group presents such receivables as part of Trade receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised which includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company’s performance completed to date which are, contracts invoiced on time and material basis and volume based.

C. Reconciliation of revenue recognised

The Group recognises Volume discounts, Penalties and Incentives against each transaction price as per the terms of the contract with the customer, the disclosures related to the reconciliation of revenue recognised with the transaction price have not been provided as the same is not material to the Group.”

f Income tax

“The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

g Deferred taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

“Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.”

The Company has thus disclosed the Income Tax Assets/ Liabilities on a net basis to the extent that the same is settled within the same tax jurisdictions, which is in line with Accounting statements prescribed under Ind AS 12.

h Leases

As a lessee

The Group enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and furnitures. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset.

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within ‘other expenses’ in statement of profit and loss. “

Lease Liabilities:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- i) fixed lease payments (including in-substance fixed payments), less any lease incentives;
- ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- iii) the amount expected to be payable by the lessee under residual value guarantees;
- iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability payments are classified as cash used in financing activities in the Statement of cash flows.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- i) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
 - ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
 - iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The Group did not make any such adjustments during the periods presented."

Right-of-Use Assets:

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. Prepaid lease payments (including the difference between nominal amount of the deposit and the fair value) are also included in the initial carrying amount of the right of use asset.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below

The Group incurs obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. the Group has assessed that such restoration costs are negligible and hence no provision under Ind-AS 37 has been recognised.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit and loss.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient."

Lease policy applicable before April 1, 2019

As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred."

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently premeasured to fair value with changes in fair value recognized in statement of profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is premeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in statement of profit and loss or other comprehensive income, as appropriate.

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

j Impairment

i) Impairment of non financial assets

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than carrying value. The goodwill impairment test is performed at the level of cash generating unit or group of cash generating units, which represent the lowest level at which goodwill is monitored for internal management purposes. An impairment in respect of goodwill is not reversed. Long lived assets such as Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount

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is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period."

Goodwill is tested for impairment at least annually at the same time and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes. An impairment in respect of goodwill is not reversed.

ii) Impairment of financial assets

The group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments classified as FVTOCI, lease receivables, trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information.

k Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

l Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

m Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- those measured at amortized cost."

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest."

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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(All amounts are in Rupees Lakhs)

Currently there are no debt instruments measured at Fair value.

(iii) Derecognition of financial assets

A financial asset is derecognized only when

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients."

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset."

(iv) Income recognition

a. Interest income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. Dividends

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

n Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months."

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in statement of profit and loss, within other gains/(losses).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to statement of profit and loss within other gains/(losses).

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If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit and loss at the time of the hedge relationship rebalancing.

(ii) Hedges of net investment in foreign operations

The Company designates derivative financial instruments as hedges of net investments in foreign operations. The Company has also designated a foreign currency denominated borrowing as a hedge of net investment in foreign operations. Changes in the fair value of the derivative hedging instruments and gains/losses on translation or settlement of foreign currency denominated borrowings designated as a hedge of net investment in foreign operations are recognised in other comprehensive income and presented within equity in the FCTR to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/(losses), net within results from operating activities.

o Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

p Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred."

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Particulars	Useful life
Leasehold Land, Leasehold building and Leasehold improvement	Over the period of Lease
Building	Upto 60 years
Office Equipment	Upto 7 years
Computers	Upto 6 years
Furniture and Fixtures	Upto 10 years
Vehicles	8 years

Assets costing less than ₹ 5000 each are depreciated fully in the year of acquisition.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

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Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

The cost of property, plant and equipment not available for use before such date are disclosed under capital work-in-progress.

q Intangible assets

(i) Computer software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Cost associated with acquisition of intangible assets is capitalized when it is controlled by entity and probable future economic benefits are expected to flow .

(ii) Commercial Rights

These rights were acquired as part of erstwhile business combination.

(iii) Amortization methods and periods

The group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Particulars	Useful life
Computer Software	3 to 6 years
Customer Relationship	5 years
Customer Contracts	2 years
Acquired Technology	4 years

Gains or Losses arising from the retirement or disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognized as income or expense in the Statement of Profit and Loss.

r Goodwill

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes."

s Disposal of assets

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

t Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

u Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

v Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated. The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

w Borrowings

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss as other gains/(losses).

x Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

y Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a. The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur."

b. The Group has introduced a deferred performance incentive plan during the year which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The benefits are discounted using the market yields at the end of the reporting period.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and pension
- (b) defined contribution plans such as provident fund.

Defined benefit obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit and loss as past service cost."

Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Hinduja Global Solutions Limited Employee Stock Option Plan.

Employee options

The fair value of options granted under the Hinduja Global Solutions Limited Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognizes termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

z Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds."

za Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

zb Earnings per share

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(i) Basic earning per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earning per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares."

zc Business combination, and Goodwill

a) Business combination

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred.

The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognised in the statement of profit and loss.

b) Goodwill

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in equity as capital reserve. Goodwill is measured at cost less accumulated impairment (if any).

Goodwill associated with the disposal of an operation that is part of cash-generating unit is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

zd Non Controlling Interests

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

ze Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

zf Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Company has been identified as CODM consists of key managerial personnel of the Company. Refer note 44 for segment information.

zg Non-current assets (or disposal groups) held for sale and discontinued operations

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain is recognized for any subsequent increase in the fair value less cost to sell of any

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-Current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the asset of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operations is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of a single co-ordinated plan to dispose of such line of business or area of business of operations, or is a subsidiary acquired exclusively with a view of resale. The result of discontinued operations are presented separately in the statement of profit and loss.

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of carrying amount or fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

zh Subsequent events

The Group evaluates all transactions and events that occur after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Group did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the consolidated financial statements, except as disclosed.

zi Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III unless otherwise stated.

zj New Accounting standards adopted by the Group during year

i) Impact on adoption of Ind AS 116

General impact of application of Ind AS 116 Leases

In the current year, the Group, for the first time, has applied Ind AS 116 Leases as issued by the Ministry of corporate affairs(MCA) in March 2019.

Ind AS 116 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

In preparation for the first-time application of Ind AS 116, the Group has carried out an implementation project. The project has shown that the new definition in Ind AS 116 will not change significantly the scope of contracts that meet the definition of a lease for the Company.

Details of these new requirements are described in note 39. The impact of the adoption of Ind AS 116 on the Company's financial statements is described below.

The date of initial application of Ind AS 116 for the Group is April 1, 2019.

The Group has applied the new requirements to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. Accordingly, comparatives for the year ended March 31, 2019 has not been retrospectively adjusted.

The Group has made use of the following practical expedients available in its transition to Ind AS 116: -

- a) The Group has not reassessed whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before April 1, 2019,

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(All amounts are in Rupees Lakhs)

- b) The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics (i.e. similar assets in similar economic environment). Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application,
- c) The Group excluded the initial direct costs from measurement of the ROU asset,
- d) The Group does not recognize ROU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

Impact on Lessee Accounting

Former operating leases

Ind AS 116 changes how the Group accounts for leases previously classified as operating leases under Ind AS 17, which were off-balance-sheet.

Applying Ind AS 116, for all leases (except as noted below), the Group:

- a) recognises right-of-use assets and lease liabilities in the balance sheet, initially measured at the present value of future lease payments; with the right of use asset adjusted by the amount of any prepaid or accrued lease payments.
- b) recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss; and
- c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under Ind AS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expense on a straight-line basis.

Under Ind AS 116, right-of-use assets are tested for impairment in accordance with Ind AS 36 Impairment of Assets

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense at actuals. This expense is presented within other expenses in the statement of profit and loss.

The weighted average lessees incremental borrowing rate applied to lease liabilities across the geographies, recognised in the Balance sheet on April 1, 2019 range from 5.5% -9.73% .

- ii) Appendix C to Ind AS 12 - Uncertainty over income tax treatments

The Ministry of Corporate Affairs issued Appendix C to Ind AS 12 which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the consolidated financial statements of the Group.

iii) Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on consolidated financial statements of the Group.

iv) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on consolidated financial statements of the Group.

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(All amounts are in Rupees Lakhs)

zk Recent Indian Accounting Standards (Ind AS)

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Group:

i) Amendment to Ind AS 103 - Business combination

The Ministry of Corporate Affairs ("MCA") issued amendments to Ind AS 103, 'Business Combinations', in connection with clarification of business definition, which help in determining whether an acquisition made is of a business or a group of assets. The amendment added a test that makes it easier to conclude that a Company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The adoption of amendment to Ind AS 103 is applicable to new acquisition on a prospective basis and hence did not have any impact on the Consolidated financial statements of the Group.

ii) Amendment to Ind AS 109, Ind AS 39 and Ind AS 107 – Interest Rate Benchmark Reform

The Ministry of Corporate Affairs ("MCA") issued some of its requirements for hedge accounting. The amendments provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties. The adoption of amendment to Ind AS 109, Ind AS 39 and Ind AS 107 did not have any significant material impact on the Consolidated financial statements of the Group.

iii) Amendment to Ind AS 1 and Ind AS 8 – Definition of Material

The Ministry of Corporate Affairs ("MCA") issued Amendment to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors to update a new definition of material in Ind AS 1. The amendments clarify the definition of "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in Indian Accounting Standards (Ind AS). The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the The Ministry of Corporate Affairs ("MCA") amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The adoption of the amendment to Ind AS 1 and Ind AS 8 did not have any material impact on its evaluation of materiality in relation to the Consolidated financial statements.

iv) Amendment to Ind AS 116 – Leases

The Ministry of Corporate Affairs ("MCA") issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before 30 June 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. The adoption of the amendment to Ind AS 116 did not have any material impact on its evaluation of materiality in relation to the Consolidated financial statements.

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2 Property, Plant and Equipment

	Land	Building	Leasehold Building	Furniture and Fixtures	Vehicle	Office Equipment	Computers	Leasehold Improvements	Total	Capital work-in-progress
Year ended March 31, 2019										
Gross carrying amount	2,070.10	12,774.08	2,053.02	6,847.31	365.79	6,801.22	20,187.64	23,643.77	74,742.93	105.50
Acquisitions through business combinations (Refer note 45)	-	-	-	433.48	-	35.65	86.63	-	555.76	-
Additions	73.20	216.90	-	1,909.84	39.74	2,749.76	7,533.59	2,912.64	15,435.67	3,111.79
Effect of Foreign currency differences	121.56	645.36	-	411.55	18.61	990.26	994.83	1,279.64	4,461.81	-
Disposals/Transfer	-	-	-	(447.39)	(41.56)	(1,209.87)	(690.31)	(1,332.58)	(3,721.71)	(2,729.15)
Gross carrying amount	2,264.86	13,636.34	2,053.02	9,154.79	382.58	9,367.02	28,112.38	26,503.47	91,474.46	488.14
Accumulated depreciation	-	1,052.48	118.17	2,195.19	137.70	1,867.24	6,568.81	7,282.52	19,222.11	-
Depreciation (Refer Note 29)	-	369.48	39.39	1,394.89	104.58	2,570.73	4,878.50	3,669.19	13,026.76	-
Effect of Foreign currency differences	-	83.51	-	188.25	9.14	671.10	841.45	990.16	2,783.61	-
Disposals/Transfer	-	-	-	(276.75)	(41.23)	(453.84)	(602.41)	(1,493.37)	(2,867.61)	-
Accumulated depreciation	-	1,505.47	157.56	3,501.58	210.19	4,655.22	11,686.35	10,448.50	32,164.87	-
Net carrying amount as at March 31, 2019	2,264.86	12,130.87	1,895.46	5,653.21	172.39	4,711.80	16,426.03	16,054.97	59,309.59	488.14
Year ended March 31, 2020										
Gross carrying amount	2,264.86	13,636.34	2,053.02	9,154.79	382.58	9,367.02	28,112.38	26,503.47	91,474.46	488.14
Assets Reclassed due to Adoption of Ind AS 116	-	-	(2,053.02)	(431.20)	-	-	(297.29)	(1,116.78)	(3,898.29)	-
Additions	-	0.78	-	1,060.91	20.79	363.14	6,868.86	1,520.09	9,834.57	7,185.70
Effect of Foreign currency differences	181.70	941.61	-	727.02	43.82	327.19	4,325.92	1,620.78	8,168.04	-
Disposals/Transfer	-	-	-	(1,566.82)	(72.44)	(2,278.54)	(6,769.54)	(5,465.00)	(16,152.34)	(7,190.97)
Gross carrying amount	2,446.56	14,578.73	-	8,944.70	374.75	7,778.81	32,240.33	23,062.56	89,426.44	482.87
Accumulated depreciation	-	1,505.47	157.56	3,501.58	210.19	4,655.22	11,686.35	10,448.50	32,164.87	-
Assets Reclassed due to Adoption of Ind AS 116	-	-	(157.56)	(256.49)	-	-	(297.29)	(166.11)	(877.45)	-
Depreciation (Refer note below)	-	376.00	-	1,440.08	86.67	693.16	7,165.11	3,791.27	13,552.29	-
Effect of Foreign currency differences	-	160.21	-	425.76	31.96	260.70	3,138.09	1,414.04	5,430.76	-
Disposals	-	-	-	(1,410.71)	(63.01)	(2,120.39)	(5,266.45)	(5,193.42)	(14,053.98)	-
Accumulated depreciation	-	2,041.68	-	3,700.23	265.81	3,488.69	16,425.81	10,294.28	36,216.49	-
Net carrying amount as at March 31, 2020	2,446.56	12,537.05	-	5,244.48	108.94	4,290.12	15,814.52	12,768.28	53,209.95	482.87

* Refer note 45 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation

	Year ended March 31, 2020
Continuing Operations (Refer note 29)	12,319.07
Discontinued Operations (Refer note 45)	1,233.22
Total	13,552.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

3. Right to use asset

	Category of Right of use assets				Total
	Building	Computers	Furniture& Fixtures	Office equipments	
Year ended March 31, 2020					
Assets recognised upon application of Ind AS 116	69,473.10	-	203.52	-	69,676.62
Assets reclassified upon adoption of Ind AS 116	2,053.02	-	431.20	1,116.78	3,601.00
Total carrying amount as at April 1, 2019	71,526.12	-	634.72	1,116.78	73,277.62
Additions	28,670.20	253.70	-	612.43	29,536.33
Disposals* (Refer note 45)	(20,210.28)	-	-	-	(20,210.28)
Effect of Foreign currency differences	4,377.35	9.81	12.12	1.91	4,401.19
Gross carrying amount	84,363.39	263.51	646.84	1,731.12	87,004.86
Accumulated depreciation					
Amounts reclassified upon adoption of Ind AS 116.	157.56	-	256.49	166.11	580.16
Depreciation (Refer note 29)	14,797.23	49.33	122.26	342.49	15,311.31
Disposals* (Refer note 45)	(7,057.22)	-	-	-	(7,057.22)
Lease modification	(131.70)	-	-	-	(131.70)
Effect of Foreign currency differences	313.19	1.91	7.26	0.15	322.51
		-	-	-	-
Accumulated depreciation	8,079.07	51.24	386.01	508.75	9,025.06
Net carrying amount as at March 31, 2020	76,284.32	212.27	260.83	1,222.38	77,979.80

* Refer note 45 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation

	Year ended March 31, 2020
Continuing Operations (Refer note 29)	12,891.38
Discontinued Operations (Refer note 45)	2,419.93
Total	15,311.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

4a Other Intangible Assets

	Computer Software	Non Compete fees	Customer Relationship	Customer Contracts	Acquired Technology	Total
Year ended March 31, 2019						
Gross carrying amount	15,694.44	20.07	-	-	-	15,714.51
Acquisitions through business combinations (Refer note 45)	839.26	119.97	2,326.61	453.90	827.40	4,567.14
Additions	4,435.68	-	-	-	-	4,435.68
Effect of Foreign currency differences	1,211.81	7.89	148.83	28.41	52.60	1,449.54
Disposals/Transfer	(552.73)	-	(47.90)	(19.92)	-	(620.55)
Gross carrying amount	21,628.46	147.93	2,427.54	462.39	880.00	25,546.32
Accumulated amortisation	8,146.37	20.07	-	-	-	8,166.44
Amortisation expenses (Refer Note 29)	5,870.09	43.00	344.82	176.41	221.33	6,655.65
Effect of Foreign currency differences	814.32	(0.38)	(3.02)	(1.54)	(1.96)	807.42
Disposals/Transfer	(499.12)	-	-	-	-	(499.12)
Accumulated amortisation	14,331.66	62.69	341.80	174.87	219.37	15,130.39
Net carrying amount as at March 31, 2019	7,296.80	85.24	2,085.74	287.52	660.63	10,415.93
Year ended March 31, 2020						
Gross carrying amount	21,628.46	147.93	2,427.54	462.39	880.00	25,546.32
Assets Reclassed due to Adoption of Ind AS 116	(145.14)	-	-	-	-	(145.14)
Additions	2,468.08	-	-	-	-	2,468.08
Effect of Foreign currency differences	2,432.95	11.23	213.26	40.62	77.30	2,775.36
Disposals/Transfer* (Refer note 45)	(2,329.89)	-	-	-	-	(2,329.89)
Gross carrying amount	24,054.45	159.16	2,640.80	503.01	957.30	28,314.73
Accumulated amortisation	14,331.66	62.69	341.80	174.87	219.37	15,130.39
Assets Reclassed due to Adoption of Ind AS 116	(145.14)	-	-	-	-	(145.14)
Amortisation/ Impairment (Refer note below)	3,332.17	43.71	668.12	179.41	225.61	4,449.02
Effect of Foreign currency differences	1,958.36	6.40	70.66	26.27	32.99	2,094.69
Disposals/Transfer* (Refer note 45)	(1,386.61)	-	-	-	-	(1,386.61)
Accumulated amortisation	18,090.44	112.80	1,080.58	380.55	477.97	20,142.35
Net carrying amount as at March 31, 2020	5,964.01	46.36	1,560.22	122.46	479.33	8,172.38

Amortisation expenses

	Year ended March 31, 2020
Continuing Operations (Refer note 29)	3,913.90
Discontinued Operations (Refer note 45)	217.95
Exceptional Items (Refer note 49)	317.17
Total	4,449.02

As at March 31, 2020 the estimated remaining amortisation period for intangible assets are as follows:

Intangible Assets	Estimated remaining Amortisation period
Customer Relationship	6 year
Customer Contracts	1 Year
Non Compete fees	1 Year
Acquired Technology	2 year

* Refer note 45 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

4b Goodwill

	Total
Year ended March 31, 2019	
Gross carrying amount	28,830.25
Addition on acquisition	3,938.60
Disposals	(455.98)
Gross carrying amount	32,312.87
Effect of foreign currency differences	1,237.28
Net carrying amount as at March 31, 2019	33,550.15
Year ended March 31, 2020	
Gross carrying amount	33,550.15
Addition on acquisition	-
Impairment(Refer note 35)	(1,794.53)
Gross carrying amount	31,755.62
Effect of foreign currency differences	2,162.69
Net carrying amount as at March 31, 2020	33,918.31

5 Investments

	Face Value Per Share/ Unit	As at March 31, 2020		As at March 31, 2019	
		Quantity No's	Amount (₹ in Lakhs)	Quantity No's	Amount (₹ in Lakhs)
5a Non-Current Investments					
(i) Others (Unquoted and Non-Trade):					
Investments carried at Amortised cost -Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]			477.83		420.63
Aggregate Value of Unquoted Non-Current Investments			477.83		420.63
5b Current Investment					
Others (Unquoted and Non-Trade):					
Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]			554.29		1,032.38
Aggregate Value of quoted investments and market value thereof			554.29		1,032.38
Total current/ non-current investments					
Aggregate Value of quoted Investments and market value thereof			-		-
Aggregate Value of Unquoted Investments			1,032.12		1,453.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Terms of Treasury bill

Sr. No.	Name of Bank	ISIN	Maturity Date	Rate of Interest	Face Value in' PHP as on March 31,2020 (PHP. in Lakhs)	Face Value in' INR as on March 31,2020 (₹ in Lakhs)
1	CTBC Bank (Philippines) Corp.	PIBL1219E195	May 13, 2020	3.20%	320.22	474.27
2	Union Bank of the Philippines	PIID0321F092	June 13, 2021	4.88%	322.60	477.80
3	Union Bank of the Philippines	PIID0321F092	June 13, 2021	4.88%	0.02	0.03
4	Union Bank of the Philippines	PHY6972HDQ66	May 6, 2020	3.28%	54.02	80.02
	Total				696.86	1,032.12

6 Loans

	As at March 31, 2020	As at March 31, 2019
Loan carried at amortised cost (Refer Note 40)	-	8,486.96
Total	-	8,486.96

7 Other financial asset

	As at March 31, 2020	As at March 31, 2019
Security Deposit	4,915.53	5,576.55
Deposits with bank for Margin Money*	110.11	104.51
Deposits with maturity exceeding 12 months**	1,078.51	1,019.78
Derivatives - Foreign Exchange Forward Contracts (Refer Note 42)	-	58.95
Total	6,104.15	6,759.79

* Under lien with bank towards guarantees issued by them on behalf of the company.

** Amount held by a bank as an interest reserve against amount owed under loan agreement.

8a Income Tax Assets (net)

	As at March 31, 2020	As at March 31, 2019
Advance tax and tax deducted at source	47,411.95	38,521.97
Less: Provision for Income tax	39,140.23	32,383.03
Total	8,271.72	6,138.94

8b Current tax liabilities

	As at March 31, 2020	As at March 31, 2019
Provision for Income tax	11,836.95	4,813.56
Less: Advance tax & tax deducted at source	8,823.85	3,707.41
Total	3,013.10	1,106.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

9 Other non current assets

	As at March 31, 2020	As at March 31, 2019
Capital advances	56.18	79.85
Receivable from related parties (Refer Note 31 & 40)	1,868.99	1,868.99
Deferred rent	-	2,989.09
Balances with Government Authorities	133.13	78.57
Prepaid Expenses	664.18	248.40
Others	34.46	31.93
Total	2,756.94	5,296.83

10 Trade receivable

	As at March 31, 2020	As at March 31, 2019
Unsecured Trade Receivables	56,609.42	67,796.94
Unbilled Receivables	42,323.43	48,825.85
Considered doubtful	1,923.74	2,948.22
Less: Allowance for bad and doubtful debts	(1,923.74)	(2,948.22)
Total	98,932.85	116,622.79
Current portion	98,932.85	116,622.79
Non-current portion	-	-

11a Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
in current accounts	40,718.27	27,778.26
in EEFC accounts	211.51	104.65
in deposit accounts	11,517.53	1,429.79
in Cash credit accounts	407.76	1,097.46
Cheques, on hand	208.04	1,892.89
Cash on hand	19.32	21.56
Total	53,082.43	32,324.61

Balances with banks in current account and EEFC account does not carry any interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

11b Bank balances other than Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Earmarked Balances with Banks:		
Unpaid dividend	33.83	34.84
Unpaid bonus	1.82	1.82
Margin money deposits #	323.89	306.25
Restricted Bank Balances	50.87	72.83
Total	410.41	415.74

Under Lien with Banks towards Guarantees/ Letter of credit issued by them on behalf of the Group and towards margin against forward contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

12 Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loan to related parties (Refer note 40)*	34,000.00	-
Loan carried at amortised cost (Refer Note 40 and 50)	9,232.52	-
Total	43,232.52	-

* The loans were given to respective parties as disclosed in Note 40 for working capital finance. The transactions were made on normal commercial terms and conditions and at the market rate. The average interest rate on the loans during the year was 8.30% to 8.40% (March 31, 2019 – Nil)

13 Other current financial asset

	As at March 31, 2020	As at March 31, 2019
Security Deposit	627.24	299.28
Interest accrued on deposits/ loans	180.95	45.59
Derivatives - Foreign Exchange Forward Contracts (Refer note 42)	334.54	2,275.55
Other receivables	502.71	162.18
Total	1,645.44	2,782.60

14 Other Current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good, unless otherwise stated		
Balances with Government Authorities	1,047.23	425.39
Advance to employees		
Good	486.77	378.20
Doubtful	9.43	7.68
	496.20	385.88
Less: Provision for doubtful Advances	(9.43)	(7.68)
	486.77	378.20
Advance to Vendors	729.08	1,146.81
Prepaid Expenses	5,088.84	6,447.43
Others	116.72	229.98
Total	7,468.64	8,627.81

There were no loans due by directors or other officers of the company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

15 Equity Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised:		
27,500,000 (March 31, 2019: 27,500,000) Equity shares of ₹ 10/- each fully paid	2,750.00	2,750.00
150,000 (March 31, 2019:150,000) 1% Participatory redeemable Non cumulative preference shares of ₹ 10/- each	15.00	15.00
Total	2,765.00	2,765.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	As at March 31, 2020	As at March 31, 2019
Issued, subscribed and Paid up :		
20,865,933 (March 31, 2019: 20,838,944) Equity shares of ₹ 10/- each fully paid	2,086.59	2,083.89
Total	2,086.59	2,083.89

(i) **Movements in equity share capital**

	No. of shares	Equity share Capital (par value)
As at April 1, 2018	20,800,238	2,080.02
Shares issued to Employees under Employee Stock Option Plan	38,706	3.87
As at March 31, 2019	20,838,944	2,083.89
Shares issued to Employees under Employee Stock Option Plan	26,989	2.70
As at March 31, 2020	20,865,933	2,086.59

(a) **Terms/ rights attached to equity shares**

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend which are approved by Board of Directors in Board Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(b) **Number of shares reserved for issue under the Employee Stock Option Plan (Refer Note 31)**

	As at March 31, 2020	As at March 31, 2019
i) Hinduja Global Solutions Limited Employee Stock Option Plan 2008	37,500	42,456
ii) Hinduja Global Solutions Limited Employee Stock Option Plan 2011	21,530	43,375

(ii) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% held	Number of Shares	% held
Hinduja Group Limited	5,818,541	27.89%	5,748,541	27.59%
Hinduja Group Limited jointly with Hinduja Realty Ventures Limited	3,354,490	16.08%	3,354,490	16.10%
Amas Mauritius Limited	2,761,427	13.23%	2,761,427	13.25%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

16 Borrowings

	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2020	As at March, 31, 2019
A. Borrowings - non-current					
Secured					
Term loans from banks					
Corporate loan ^a	October, 2021	Repayable in equal quarterly instalments	5.25%	9.59	66.35
Corporate loan ^b	September, 2023	Repayable equal quarterly instalments	3 months LIBOR+2.10% P.a.	7,525.39	8,894.17
Corporate loan ^c	November, 2023	Repayable equal quarterly instalments	3 months LIBOR+3.10% and 6months LIBOR+3.10% (Effective interest rate as at March 31, 2020 was 5.94%)	17,624.27	20,325.76
Foreign Currency Term Loans from Banks ^d	February, 2024	Quarterly instalments w. e.f. May,2020	3 Months LIBOR+1.05% (Effective interest rate as at March 31, 2020 was 3.77%)	15,132.92	13,906.35
Unsecured					
Others				544.43	0.69
Total borrowings				40,836.60	43,193.32
Less: Current maturities of long-term debt (included in note 22)				10,526.12	6,060.18
Less: Interest accrued (included in note 22)				112.16	114.09
Non-current borrowings				30,198.32	37,019.05
B. Borrowings - current					
Secured					
Bank Overdrafts ^e	Payable on demand	Payable on demand	7.75% - 8.45%	8,420.77	2,803.51
Bank Overdrafts ^a	Payable on demand	Payable on demand	5.25%	-	227.31
Bank Overdrafts ^f	Payable on demand	Payable on demand	3 months LIBOR+3.00%	693.35	2,812.55
Revolver Loan ^b	Payable on demand	Payable on demand	3 months LIBOR+ 2.10% p.a (Effective interest rate as at March 31,2020 was 3.60%)	10,366.63	9,937.16
Bank Overdrafts ^f	Payable on demand	Payable on demand	LIBOR + 2.75% p.a	217.19	249.58
Total Current borrowings				19,697.94	16,030.11
Aggregate Secured loans				59,877.95	59,108.65
Aggregate Unsecured loans				544.43	0.69

Secured borrowings and assets pledged as security

- Secured by cash margin and demand promissory note.
- Secured by way of charge on all assets of a subsidiary company, HGS Canada Inc.
- Secured by way of charge on all assets of a subsidiary company, Hinduja Global Solutions Inc. and its subsidiaries. (except for HGS canada inc)
- Secured by Exclusive charge on Land & Building and Movable fixed Assets. Secured by first charge on entire moveable fixed assets of the Company (both present and future).
- Secured by first paripassu charge on entire current assets both present and future of the company and second paripassu charge on entire moveable fixed assets both present and future of the company (excluding vehicles/ equipment acquired under hire purchase).
- Secured by charge on all assets of the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

17 Lease Liabilities

	As at March 31, 2020	As at March 31, 2019
a. Lease Liabilities - non-current		
Total lease liabilities	84,407.28	1,111.22
Less: Current Maturities of Lease Obligations	(11,492.91)	(265.50)
	72,914.37	845.72
b. Lease Liabilities - current	11,492.91	265.50
Total	84,407.28	1,111.22

18 Other non-current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Deferred consideration payable(Refer note 42)	1,655.42	2,861.38
Derivatives - Foreign Exchange Forward Contracts(Refer Note 42)	3,677.82	-
Total	5,333.24	2,861.38

19 Provisions

	As at March 31, 2020	As at March 31, 2019
Pension(Refer Note 38)	8,203.75	5,811.78
Gratuity (Refer Note 38)	2,292.46	1,679.88
Deferred compensation Payable	2,812.03	-
Others	-	64.41
Total	13,308.24	7,556.07

20 Other non-current liabilities

	As at March 31, 2020	As at March 31, 2019
Lease Incentive	-	768.04
Advances from customers	152.54	-
Total	152.54	768.04

21 Trade Payables

	As at March 31, 2020	As at March 31, 2019
i. Total outstanding dues of micro enterprises and small enterprises (Refer Note 46)	534.25	316.15
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	27,640.98	23,808.37
Total	28,175.23	24,124.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

22 Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long-Term Debt	10,526.12	6,060.18
Interest Accrued	112.16	114.09
Employee benefits payable	16,789.45	17,358.66
Capital Creditors	866.51	356.54
Unpaid Dividend [Refer note (a) below]	33.83	34.84
Deferred consideration payable(Refer Note 42)	2,015.30	1,756.86
Derivatives - Foreign Exchange Forward Contracts(Refer Note 42)	3,398.91	584.72
Total	33,742.28	26,265.89

a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year-end.

23 Provisions

	As at March 31, 2020	As at March 31, 2019
Compensated Absences(Refer Note 38)	5,775.88	5,280.00
Total	5,775.88	5,280.00

24 Other Current liabilities

	As at March 31, 2020	As at March 31, 2019
Advances from customers	749.28	991.81
Statutory dues payable	5,073.84	5,521.61
Lease Incentive	-	167.15
Other Payables	1,657.37	1,544.53
Total	7,480.49	8,225.10

25 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services		
Business Process Management	498,650.37	443,925.47
Other Operating Income (Refer note 45 (iii))	-	3,114.43
Total	498,650.37	447,039.90

In response to the COVID-19 pandemic, the Group initiated business continuity program in March 2020 and facilitated it's employees to work remotely/work from home where customers have consented. Our business continuity program and the design of our processes allow for remote execution with accessibility to secure data. The Group has evaluated the impact of COVID – 19 resulting from penalties relating to breaches of service level agreements and concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Group believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Country / region	Year ended March 31, 2020	Year ended March 31, 2019
USA and Canada	427,385.26	388,732.76
India	49,463.50	51,053.84
UK	31,911.30	28,290.24
Rest of the world	14,776.48	13,589.98
Total revenue from contracts with customers*	523,536.54	481,666.82

Major product/service lines	Year ended March 31, 2020	Year ended March 31, 2019
Business Process Management	523,536.54	481,666.82
Total revenue from contracts with customers*	523,536.54	481,666.82

Category of customer	Year ended March 31, 2020	Year ended March 31, 2019
Health Insurance, Pharma and Healthcare	280,285.76	251,430.08
Consumer Electronics, Products, Services and Retail	55,500.11	58,426.19
Banking and Financial services	46,296.34	38,388.85
Telecom and Technology	82,200.47	87,470.69
Media	11,088.50	13,486.67
Chemicals and Biotech	6,601.80	6,743.34
Others	41,563.56	25,721.00
Total revenue from contracts with customers*	523,536.54	481,666.82

* Above revenues are including both Continuing and Discontinued operations.

26 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on financial assets carried at amortised cost	1,280.79	1,363.86
Unwinding of discount on security deposits	588.41	193.92
changes in fair value of investment measured at fair value through profit and loss account	-	187.99
Foreign Exchange Gain (net)	1,513.79	2,568.53
Income from sale of export scrips	885.71	-
Income from discontinuation of leases	1,079.09	-
Profit on Sale of property, plant and equipment	15.07	-
Provision for Doubtful Debts no longer required written-back	3.13	-
Miscellaneous income	347.24	39.08
Total	5,713.23	4,353.38

27 Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	310,353.15	282,595.17
Contribution to provident and other funds	19,179.22	16,186.39
Gratuity expense (unfunded) (Refer Note 38)	62.12	51.34
Staff welfare expenses	3,192.96	2,900.09
Total	332,787.45	301,732.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

28 Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on		
Term loans from bank	2,562.15	2,639.59
Cash credit and others	222.35	787.89
Interest expense on leases	6,035.46	-
Other borrowing costs	604.13	553.85
Total	9,424.09	3,981.33

29 Depreciation and Amortisation expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment(Refer Note 2)	12,319.07	11,464.54
Depreciation on Right of use assets (Refer Note 3)	12,891.38	-
Amortization of intangibles(Refer Note 4a)	3,913.90	6,374.60
Total	29,124.35	17,839.14

30 Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	5,680.44	5,486.14
Rent	2,873.82	17,222.17
Repairs and Maintenance - Leased Premises	5,276.70	3,120.43
Repairs and Maintenance - Others	5,728.08	5,709.03
Insurance	1,304.49	1,270.73
Rates and Taxes	1,942.87	1,630.82
Directors' Remuneration	431.00	394.00
Connectivity Cost	21,200.88	14,876.96
Advertisement and Business Promotion	2,244.80	2,311.36
Communication	4,546.79	4,761.15
Travelling, Conveyance and Car Hire Charges	7,334.32	6,802.96
Legal and Professional	11,839.79	11,970.93
Training and Recruitment	3,378.56	3,427.02
Commission	10,115.42	8,447.91
Donations	114.98	100.35
Software Expenses	4,633.49	5,028.23
Fulfillment Cost	645.45	333.06
Corporate Social Responsibility (Refer Note no 30 a)	435.00	435.59
Bad Debts/ Advances Written off	127.87	96.19
Allowance for bad and doubtful debts/ advances	313.84	1,585.12
Loss on Sale of Assets (net)	-	50.99
Fixed Assets Written Off	13.37	8.68
Miscellaneous Expenses	9,003.61	8,426.17
Total	99,185.57	103,495.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

30a Corporate Social Responsibility (CSR)

	March 31, 2020	March 31, 2019
Gross amount required to be spent by the Company during the year (Refer note below)	435.00	429.65
Total	435.00	429.65

	In Cash*	In Cash*
Amount spent during the year	March 31, 2020	March 31, 2019
a. On various activities (Refer note below)	435.00	435.59
Total	435.00	435.59

* There are no amounts yet to be paid in cash

Note:

Vendor Name	Nature of CSR Activity	Amount spent during the year
Magic Bus India Foundation	Child education	7,900,000.00
The Akshaya Patra Foundation	Nutrition & Education	6,600,000.00
National Health and Education Society	Contribut_Disaster Relief(Covid-19) & Healthcare service	29,000,000.00
Total Amount spent during the year		43,500,000.00

31 Contingent Liabilities

a) Contingent Liabilities

A) Claims against the group not acknowledged as debts:

Particulars	March 31, 2020	March 31, 2019
1. Income Tax demand		
(i) From AY 2007-08 (Refer note 1 below)	10,455.55	10,747.54
(iii) Prior AY 2007-08 (Refer note 2 below)	17,406.45	17,281.94
2. Claims against the Company not acknowledged as debts (Refer note 3a and 3b below)	135.66	841.89

Notes:

- The Company has received Income Tax Demand orders for the A.Y. (Assessment Year) 2007-08 to A.Y. 2010-11. In all the above assessment orders, demand has been raised mainly on account of denial of section 10A benefit as per the Income Tax Act 1961 in respect of profit earned by the Company's undertaking in Software Technology Parks. The aggregate demand is ₹ 10,455.55 Lakhs including interest ₹ 3,269.57 Lakhs.

NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited) also received income tax demand pertaining to IT/ ITES business in respect of the same issue for the A.Y. 2002-03 to A.Y 2007-08. These amounts are reimbursable by the Company pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business into the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. The aggregate demand is ₹ 17,406.46 Lakhs including interest ₹ 9,620.60 Lakhs.

Against the above demands, the respective companies have made various appeals before the relevant Appellate Authority; NXTDIGITAL Limited received a favourable order from Honourable High Court of Bombay in respect of year 2005-06 dated July 26, 2017. The Honourable Supreme Court of India has admitted a Special Leave Petition (SLP) in respect of the same matter for the years A.Y. 2002-03 to A.Y 2005-06. Future cash outflow in respect of above, if any, is determinable only on receipt of judgements/ decisions pending with relevant authorities and accordingly the amounts are disclosed as a contingent liability. In view of legal advice obtained the Management considers these disallowances as not tenable against us, and therefore no provision for this tax contingency has been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

2. NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited) has received income tax demand pertaining to IT/ ITES business aggregating ₹ 7,144.66 Lakhs in respect of period prior to October 1, 2006 which is reimbursable by the Company pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business into the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In this regard, the Company had paid ₹ 5,550 Lakhs to Hinduja Ventures Limited to discharge part payment of disputed income tax dues pertaining to IT/ITES business. Out of this amount, the Company has received refund of ₹ Nil Lakhs including interest of ₹ Nil Lakhs (March 31, 2019- ₹ 1,940.00 Lakhs including interest of ₹ 490.00 Lakhs) and the net outstanding amount as at March 31, 2020 of ₹ 1,868.99 (March 31, 2019 of ₹ 1,868.99 Lakhs) is included in "Receivable from related party - Note 9".
 - 3a. HGS (USA), LLC a wholly owned subsidiary of the Company is in dispute with a vendor in respect of claim made by the vendor. The Group believes that these are not contractual as per the terms of the agreement and hence the same has not been acknowledged as debts due by the company.
 - 3b. HGS (USA), LLC a wholly owned subsidiary of the company has been served with notice of Good Faith dispute by AVIS Budget Car Rental LLC by withholding of ₹ Nil [March 31, 2019 ₹ 841.89 Lakhs (USD 1,215,175)] of company receivables against penalties under master service agreement. As these penalties are not contractual and hence the same has not been acknowledged as debts due by the company.
 4. The Company is subject to legal proceedings and claims. Some of the claims involve complex legal issues and therefore it is not possible to make a reasonable estimate of the expected financial effect, if any, that could result from ultimate resolution of such proceedings. The Group makes provisions to cover the expected risk of loss to the extent that negative outcomes are likely and reliable estimates can be made, however it is possible that the final resolution of any litigation could require the Group to make additional expenditures in excess of provisions that the Group may establish. The Group's Management reasonably expects that these legal actions, when ultimately concluded and determined, may not have a material and adverse effect on the Group's results of operations or financial condition.
- b) Capital and other commitments:**
- (i) Estimated Amount of Contracts (net of capital advances) remaining to be executed on Capital Account ₹ 1,748.89 Lakhs (As at March 31, 2019: ₹ 639.70 Lakhs).

32 Share Based Payments

a) Employee Option Plan

Details of the employee stock option plan are as given below.

Particulars	ESOP 2008	ESOP 2011
Details of the plan	The Shareholders of the Company at their Annual General Meeting held on September 27, 2008 granted approval to the HTMT Global Solutions Limited Employees Stock Option Plan 2008 (now Hinduja Global Solutions Limited Employees Stock Option Plan 2008) ("ESOP 2008"). Subsequently, the Nomination and Remuneration Committee (formerly Compensation Committee) approved the terms and conditions relating to ESOP 2008 and options were granted on July 31, 2009.	The Shareholders of the Company at their Annual General Meeting held on August 1, 2011 granted approval to the Hinduja Global Solutions Limited Employees Stock Option Plan 2011 ("ESOP 2011"). Subsequently, the Nomination and Remuneration Committee (formerly Compensation Committee) approved the terms and conditions relating to ESOP 2011 and options were granted on November 11, 2011.
Maximum grant of options	The maximum number of options that could be issued under ESOP 2008 is 205,380 (being 1% of the outstanding equity shares of the Company as at April 1, 2009).	The maximum number of options that could be issued under ESOP 2011 is 308,838 (being 1.5% of outstanding paid up capital of the Company as at April 1, 2011).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	ESOP 2008	ESOP 2011
Vesting period	Options to vest over a period of three years from the date of their grant as under: of their grant as under: - 1/6th of the options granted will vest on the first anniversary of the grant date. - 1/3rd of the options granted will vest on the second anniversary of the grant date. - 1/2 of the options granted will vest on the third anniversary of the grant date.	Options to vest over a period of three years from the date of their grant as under: - 1/6th of the options granted will vest at the end of one year from the grant date. - 1/6th of the options granted will vest at the end of 18 months from the grant date. - 1/6th of the options granted will vest at the end of 24 months from the grant date. - 1/4th of the options granted will vest at the end of 30 months from the grant date. - 1/4th of the options granted will vest at the end of 36 months from the grant date.
Exercise period	Options vested with an employee will be exercisable prior to completion of the 48th month from the date of their grant by subscribing to the number of equity shares in the ratio of one equity share for every option. In the event of cessation of employment due to death, resignation or otherwise the options may lapse or be exercisable in the manner specifically provided for in the Scheme.	Options vested with an employee will be exercisable prior to completion of the 24th month from the date of vesting of options by subscribing to the number of equity shares in the ratio of one equity share for every option. In the event of cessation of employment due to death, resignation or otherwise the options may lapse or be exercisable in the manner specifically provided for in the Scheme.
Exercise price	Rs.570 - Rs 641.63 per share	Rs.570 - Rs 641.63 per share
Grant/re-grant options	The Nomination and Remuneration Committee (formerly Compensation Committee) approved the request of lapsed options which were subsequently granted to specific employees. The term for vesting and exercise period are as stated above.	The Nomination and Remuneration Committee (formerly Compensation Committee) approved the request of lapsed options which were subsequently granted to specific employees. The term for vesting and exercise period are as stated above.

The exercise price per share is determined on the basis of closing price at the National Stock Exchange of India Limited immediately preceding the grant date.

The fair value of stock option has been calculated using Black-Scholes Option Pricing Model.

Set out below is a summary of options granted under the plan:

ESOP 2008

	As at March 31, 2020		As at March 31, 2019	
	Average exercise Price Per share (INR)	Number of Options	Average exercise Price Per share (INR)	Number of Options
Opening Balance	514.97	42,456	544.28	72,103
Granted during the year	592.05	30,000	-	-
Lapsed during the year	514.97	(15,648)	546.15	(17,285)
Exercised during the year	595.45	(19,308)	759.86	(12,362)
Closing Balance		37,500		42,456
Vested and exercisable		5,300		33,623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

ESOP 2011

Particulars	As at March 31, 2020		As at March 31, 2019	
	Average exercise Price Per share (INR)	Number of Options	Average exercise Price Per share (INR)	Number of Options
Opening Balance	544.28	43,376	523.01	85,832
Granted during the year	-	-	-	-
Lapsed during the year	544.28	(14,165)	553.14	(16,112)
Exercised during the year	601.79	(7,681)	736.87	(26,344)
Closing Balance		21,530		43,376
Vested and exercisable		19,880		34,398

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 - ESOP 2008: ₹ 598.99 and ESOP 2011: ₹ 587.72. (Year ended March 31, 2019 - ESOP 2008: ₹ 784.67 and ESOP 2011: ₹ 778.53)

Shares options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Date	ESOP Plan	Expiry Date	Exercise Price (INR)	Share options (March 31, 2020)	Share options (March 31, 2019)
November 6, 2015	ESOP 2008	November 6, 2019	471.00	-	31,440
April 21, 2017	ESOP 2008	April 21, 2021	565.05	5,000	6,016
August 10, 2017	ESOP 2008	August 10, 2021	508.85	2,500	5,000
August 5, 2019	ESOP 2008	August 5, 2023	592.05	30,000	-
July 2, 2014	ESOP 2011	July 2, 2019	527.25	-	4,683
September 29, 2014	ESOP 2011	September 29, 2019	649.25	-	875
November 6, 2015	ESOP 2011	November 6, 2020	471.00	11,080	23,593
April 21, 2017	ESOP 2011	April 21, 2022	565.05	7,950	9,225
August 10, 2017	ESOP 2011	August 10, 2022	508.85	2,500	5,000

Stock options outstanding at the end of the year have the following Remaining life (In months)

Grant Date	ESOP Plan	Expiry Date	Remaining life (months)	Share options (March 31, 2020)	Remaining life (months)	Share options (March 31, 2019)
November 6, 2015	ESOP 2008	November 6, 2019	-	-	7	31,440
April 21, 2017	ESOP 2008	April 21, 2021	12	5,000	24	6,016
August 10, 2017	ESOP 2008	August 10, 2021	16	2,500	28	5,000
August 5, 2019	ESOP 2008	August 5, 2023	39	30,000	-	-
July 2, 2014	ESOP 2011	July 2, 2019	-	-	3	4,683
September 29, 2014	ESOP 2011	September 29, 2019	-	-	6	875
November 6, 2015	ESOP 2011	November 6, 2020	7	11,080	19	23,593
April 21, 2017	ESOP 2011	April 21, 2022	24	7,950	36	9,225
August 10, 2017	ESOP 2011	August 10, 2022	28	2,500	40	5,000

(i) Fair value of options granted

The fair value of options granted during the year ended March 31, 2020 is ₹ 177.36 (March 31, 2019 Nil). The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

ESOP Scheme	Grant date	Fair value
ESOP 2008	August 5, 2019	177.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The model inputs for options granted during the year ended 31 March 2020 included:

		ESOP 2008 scheme		ESOP 2011 scheme	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
i)	Exercise price	592.05	-	-	-
ii)	Grant date	August 5, 2019	-	-	-
iii)	Expiry date	August 5, 2023	-	-	-
iv)	Share price at grant date	595.00	-	-	-
v)	Expected price volatility	33.09%	-	-	-
vi)	Expected dividend yield	0.38%	-	-	-
vii)	Risk free interest rate	6.01%	-	-	-

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(b) (Income)/Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in statement of profit and loss as part of employee benefit (income)/expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee share based payment expenses	15.85	3.65
Employee share based payment Income	(36.43)	(15.99)
Total	(20.58)	(12.34)

33 Earnings per share (EPS)

Particulars	March 31, 2020	March 31, 2019
<u>Numerator for Basic and Diluted EPS</u>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS (₹ in Lakhs)	20,194.32	17,717.88
Weighted average number of equity shares (Nos.) for calculating basic earnings per share	20,851,475	20,824,000
Weighted average number of equity shares (Nos.) for calculating Diluted earnings per share	20,862,990	20,855,349
Basic EPS attributable to the equity holders of the Company (₹)	96.85	85.08
Diluted EPS attributable to the equity holders of the Company (₹)	96.79	84.96
Nominal value of shares (₹)	10.00	10.00
Number of shares considered for basic EPS	20,851,475	20,824,000
Add: Effect of dilutive issues of stock options	11,515	31,349
Number of shares considered for diluted EPS	20,862,990	20,855,349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

34 Assets pledged as security

The group has external borrowings from financial institutions. The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2020	As at March 31, 2019
Current		
Financial assets		
First Charge		
Current assets	262,727.39	209,527.50
Total current assets pledged as security	262,727.39	209,527.50
Non-current		
Exclusive charge		
Land	100.97	100.97
Building	2,244.66	2,291.03
Second charge		
Non-current assets	36,144.30	33,433.94
Total non-current assets pledged as security	38,489.93	35,825.94
Total assets pledged as security	301,217.32	245,353.44

35 Impairment

Goodwill movement:

	As at March 31, 2020	As at March 31, 2019
Opening Balance	33,550.15	28,830.25
Add: Acquisition of new entities		
HGS Axis Point Health LLC	-	2,116.71
Elements Solutions LLC	-	1,810.74
Element India	-	11.15
Less: Impairment of Goodwill relating to HGS Axis Point Health LLC operations	(1,794.53)	-
Less: Disposal of Goodwill relating to HGS Axis Point Health LLC operations	-	(455.98)
Add: Translation adjustments	2,162.69	1,237.28
Closing Balance	33,918.31	33,550.15

Goodwill is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's Cash Generating Unit ("CGU") or groups of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The carrying value of goodwill translated at year end exchange rates, is allocated to the following GGU's

	As at March 31, 2019	As at March 31, 2018
Business process management - Healthcare and CES operations, USA	14,594.02	13,415.50
Business process management - EBOS business, USA	4,902.24	4,506.36
Business process management - UK operations	9,818.40	9,427.86
Business process management - India Human resource operations	2,493.11	2,493.11
Business process management - HGS Axis Point Health LLC, USA	-	1,766.31
Business process management - Element Solutions LLC, USA	2,110.54	1,941.01
Total	33,918.31	33,550.15

The recoverable amount has been determined based on value-in-use calculations. Value-in-use is calculated using post tax cash flows. The use of post tax discount rates does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using pre-tax discount rates.

The future cash flows are based on the medium and long-term business plans approved by the Management and reviewed by the board of directors.

The average range of key assumptions used for the calculations are as follows:

(in %)

	As at March 31, 2020	As at March 31, 2019
Growth rate	2% to 10%	5% to 20%
Post-tax discount rate	13% to 17%	13.5% to 19.0%
Terminal growth rate	2% to 3%	2% to 3%

The recoverable amount have exceeded the carrying value of CGU and no impairment was recognised excluding HGS Axis Point Health LLC. No reasonable change in the assumptions (revenue growth, operating margin, discount rate and long-term growth rate) could lead to a potential impairment charge.

Reasonable sensitivities in the key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to COVID 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

36 Tax expense

a) Tax expense

	Year ended March 31, 2020			Year ended March 31, 2019		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Current tax						
Current tax on profits for the year	12,583.95	387.48	12,971.43	6,956.68	108.82	7,065.50
Adjustments for current tax of prior periods	(90.92)	-	(90.92)	128.30	-	128.30
Total Current tax expense	12,493.03	387.48	12,880.51	7,084.98	108.82	7,193.80
Deferred Tax						
Decrease/ (Increase) in Deferred tax assets	832.83	644.50	1,477.33	(2,368.66)	-	(2,368.66)
Mat credit (Availed)/ Utilized			-	2,349.71	-	2,349.71
Total Deferred Tax expense	832.83	644.50	1,477.33	(18.95)	-	(18.95)
Tax expense	13,325.86	1,031.98	14,357.84	7,066.03	108.82	7,174.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

	Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total
Profit before income tax expense	31,729.97	3,189.16	34,919.13
Tax at Indian tax rate of 34.94% (2018-19 - 34.94%)	11,086.45	1,114.29	12,200.74
Tax effects of amounts which are not deductible (taxable) in calculating taxable income			
-Exempt Income [Refer Note (i) below]#	(3,992.36)	-	(3,992.36)
- Expenses Disallowed	75.99	-	75.99
- Impairment of Goodwill and Intangibles	443.55	-	443.55
Other items			
- Reversal of deferred tax of prior years	2,124.24	-	2,124.24
- Difference in overseas tax rate for foreign operation	1,787.79	-	1,787.79
- Tax credit on profit earned by foreign operation [Refer Note (ii) below]	(979.34)	-	(979.34)
- Deferred Tax Assets not recognised	2,356.81	-	2,356.81
- Change in tax rate for the period	280.00	-	280.00
- Adjustment of current tax of prior years	(90.54)	-	(90.54)
- Difference in tax rate for profit on sale of Operations	-	(82.31)	(82.31)
- Other adjustments	233.27	-	233.27
Income Tax expense	13,325.86	1,031.98	14,357.84
Effective tax rate	42%	32%	41%

	Year ended March 31, 2019		
	Continuing Operations	Discontinued Operations	Total
Profit before income tax expense	24,343.83	470.37	24,814.20
Tax at Indian tax rate of 34.94% (2018-19 - 34.94%)	8,505.73	164.35	8,670.08
Tax effects of amounts which are not deductible (taxable) in calculating taxable income			
-Exempt Income [Refer Note (i) below]#	(2,704.63)	-	(2,704.63)
- Expenses Disallowed	75.95	-	75.95
- Impairment of Goodwill and Intangibles	-	-	-
Other items			
- Reversal of deferred tax of prior years	-	-	-
- Difference in overseas tax rate for foreign operation	1,695.05	-	1,695.05
- Tax credit on profit earned by foreign operation [Refer Note (ii) below]	(3,837.67)	-	(3,837.67)
- Deferred Tax Assets not recognised	3,385.57	-	3,385.57
- Change in tax rate for the period	-	-	-
- Adjustment of current tax of prior years	128.30	-	128.30
- Difference in tax rate for profit on sale of Operations	-	-	-
- Other adjustments	(182.28)	(55.52)	(237.80)
Income Tax expense	7,066.02	108.83	7,174.85
Effective tax rate	29%	23%	29%

Exempt income includes tax holiday period income and dividend income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Notes:

- (i) A substantial portion of the profits of the Group's operations in India are exempt from income taxes being profits attributable to export operations and profits from units established under the Special Economic Zone Act, 2005 scheme. Units designated in special economic zones will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. Profits from certain other operations (including Philippines and Jamaica) are also eligible for similar tax treatment. The tax holiday period being currently available to the Company expires in various years through fiscal 2024-25. The expiration period of tax holiday for each unit is determined based on the number of years that have lapsed following year of commencement of production by that unit. The impact of tax holidays has resulted in a decrease of current tax expense of ₹ 3,656.66 lakhs and ₹ 2,288.93 lakhs for the years ended March 31, 2020 and 2019, respectively.
- (ii) This amount represents the benefit received by certain entities of Group in respect of taxes payable by the foreign operations.

37 Deferred tax liabilities & Deferred tax assets

The deferred tax balance comprises temporary differences attributable to:

	Deferred tax assets/ (Liabilities) as on April 01, 2019	(Charge)/ Credit Through Retained earnings	(Charge)/ Credit Through P&L	(Charge)/ Credit Through OCI	(Charge)/ Credit Through FCTR	Deferred tax assets/ (Liabilities) as on March 31, 2020
Deferred Tax Liabilities						
Property, Plant and Equipment	(1,876.55)	-	15.48		(152.15)	(2,013.22)
Intangible Assets	(3,861.87)	-	108.47		(439.01)	(4,192.41)
Derivatives	(634.63)	-	-	634.63	-	-
Operating leases	-	202.58	38.74	-	14.12	255.44
Total Deferred Tax Liabilities	(6,373.05)	202.58	162.69	634.63	(577.04)	(5,950.19)
Less: Set off	(4,981.10)	-	-	-	-	(3,241.89)
Net Deferred Tax Liabilities	(1,391.95)	-	-	-	-	(2,708.30)
Deferred Tax Assets						
Defined Benefit Obligation and Compensated Absences	1,425.75		222.15	210.02	-	1,857.92
Derivatives	41.35		-	2,376.21	-	2,417.56
Right to use of asset & Lease liability	-	3,233.81	(135.33)	-	11.81	3,110.29
Deferred performance Incentive	-		722.33	-	10.69	733.02
Carry forward of unused tax losses	4,729.27		(2,081.11)	-	224.91	2,873.07
Accrued Interest	1,852.08		(1,169.03)	-	90.89	773.94
Allowance for doubtful debts	350.20		8.59	-	35.43	394.22
Accrued Expenses	571.30		156.29	-	59.73	787.32
Others	194.69		636.11	-	(60.27)	770.53
Total Deferred Tax Assets	9,164.64	3,233.81	(1,640.00)	2,586.23	373.19	13,717.87
Less: Set off	(4,981.10)	-	-	-	-	(3,241.89)
Net Deferred Tax Assets	4,183.54	-	-	-	-	10,475.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Deferred tax assets/ (Liabilities) as on April 01, 2018	Effect of Business combinations	(Charge)/ Credit Through P&L	(Charge)/ Credit Through OCI	(Charge)/ Credit Through FCTR	Deferred tax assets/ (Liabilities) as on March 31, 2019
Deferred Tax Liabilities						
Property, Plant and Equipment	(2,014.29)	-	385.77	-	(248.03)	(1,876.55)
Intangible Assets	(3,074.40)	(853.33)	166.73	-	(100.87)	(3,861.87)
Derivatives	(217.25)	-	-	(417.38)	-	(634.63)
Others	-	-	-	(451.19)	451.19	-
Total Deferred Tax Liabilities	(5,305.94)	(853.33)	552.50	(868.57)	102.29	(6,373.05)
Less: Set off	(4,714.97)	-	-	-	-	(4,981.10)
Net Deferred Tax Liabilities	(590.97)					(1,391.95)
Deferred Tax Assets						
Defined Benefit Obligation and Compensated Absences	2,079.62	-	(985.39)	290.50	41.02	1,425.75
Derivatives	-	-	-	41.35	-	41.35
Carry forward of unused tax losses	2,939.09	-	1,881.59	-	(91.41)	4,729.27
MAT Credit	2,343.16	-	(2,343.16)	-	-	-
Accrued Interest	1,657.23	-	89.52	-	105.33	1,852.08
Allowance for doubtful debts	33.94	-	318.21	-	(1.95)	350.20
Others	210.77	-	467.78	-	87.44	765.99
Total Deferred Tax Assets	9,263.81	-	(571.45)	331.85	140.43	9,164.64
Less: Set off	(4,714.97)	-	-	-	-	(4,981.10)
Net Deferred Tax Assets	4,548.84					4,183.54

Notes:

- (i) In assessing the reliability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of the recognized deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

The group has unused tax losses of ₹ 49,652.68 lakhs and ₹ 36,828.56 lakhs as at March 31, 2020 and March 31, 2019 respectively available for offset against future taxable profits. Of the ₹ 49,652.68 lakhs of unused losses, ₹ 10,890.51 lakhs will expire in the years from 2035 to 2037, while the remaining carry forward losses do not expire. No deferred tax asset has been recognised in respect of the tax losses of ₹ 42,329.41 lakhs and ₹ 20,365.71 lakhs for the period ended March 31, 2020 and March 31, 2019 respectively due to lack of probable future taxable profits.

The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits or taxable temporary differences will be available in the future. The Management's projections of future taxable income and tax planning strategies support the assumption that it is probable that sufficient taxable income will be available to utilize the deferred tax assets recognised.

The Group has recognized deferred tax assets of ₹ 2,144.34 and ₹ 4,000.55 lakhs in respect of unused tax losses of its various subsidiaries as at March 31, 2020 and 2019 respectively.

In cases where the actual future taxable profits generated are less than expected a material reversal of the deferred tax asset may arise, which would be recognised as profit or loss for the period in which such a reversal takes place.

- (ii) Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 1,11,569.54 lakhs and ₹ 97,647.30 lakhs as of March 31, 2020 and 2019, respectively have not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

38 Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Group's liability for sick and earned leave of employees.

The amount of the provision of ₹ 5,775.88 Lakhs (March 31, 2019: ₹ 5,280.00 Lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Deferred Performance Incentive

The Board of Directors at their meeting held on March 28, 2019 approved an employee defined benefit plan called as "Deferred Payment Incentive Plan" (DPI 2019). The Scheme is applicable to eligible employees of the Group and in the manner specifically provided for in the Scheme. Payments under this defined employee benefit plan is linked to the Group achieving certain profit targets by the financial year ending March 31, 2022. Pursuant to the plan, the Group has made a provision of ₹ 2,812.03 lakhs for the year ended March 31, 2020.

(iii) Post-employment obligations

a) Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to Life Insurance Corporation of India (LIC) as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority Regulations. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

b) Pension benefits

The Branch has a non-contributory and actuarially computed defined benefit pension plan covering substantially all of its employees. The benefits are based on years of service and compensation at the date of retirement, as defined in the policies of the Company.

The plan provides lump sum benefits upon retirement, death, total and permanent disability and separation from service from completion of at least five years of service. Under the provisions of the retirement plan, the normal retirement age is 60 with at least 5 years of credited service, but early retirement is possible for employees reaching age 50 with at least 10 years of credited service. Normal retirement is entitled to 1.5 months basic salary per year of service while early retirement with 10 to 15 years' service is entitled to 1 month basic salary per year of service or 1.5 months per year of service if tenure is beyond 15 years. Employees below 50 years old with at least 10 years of service are entitled to the retirement benefit in case of voluntary separation. Ten to 15 years of service is eligible for 50% of monthly basic pay per year of service, 75% for 15 to 20 years, and 100% of monthly basic pay for 20 years tenure or more.

Plan assets are held in trust by a trustee bank, which is governed by local regulations and practice in the Philippines.

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in debt securities. The Branch believes that debt securities offer the best returns over long term with an acceptable level of risk.

(iv) Defined contribution plans

The Group has classified various benefits provided to employees as under:

- a) Provident Fund
- b) Superannuation Fund
- c) State Defined Contribution Plans:
 - i. Employers' Contribution to Employee's State Insurance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

d) Other Statutory contribution schemes

Amounts recognized in the Profit and Loss pertaining to the contribution to the above contribution plans is as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Employers' Contribution to Provident Fund *	4,606.92	2,873.13
Employers' Contribution to Superannuation Fund*	3.83	4.00
Employers' Contribution to Employee's State Insurance*	1,270.83	1,633.31
Employer's Contribution to Other Employees Contribution Scheme*	13,084.92	12,130.24
Total	18,966.50	16,640.68

*Included in Contribution to Provident and Other Funds (Refer Note 27)

(v) Define Benefit plan

Balance sheet amounts - Pension plan

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2018	3,266.39	(650.35)	2,616.04
Current service cost	358.81	-	358.81
Net interest cost/(income)	-	-	-
Expected return on plan assets	274.29	(54.61)	219.68
Total amount recognised in profit or loss	633.10	(54.61)	578.49
Remeasurements			
-Actuarial (gain)/loss from change in demographic assumptions	226.42	-	226.42
-Actuarial (gain)/loss from change in financial assumptions	1,407.55	32.20	1,439.75
- Actuarial (gain)/loss arising from experience adjustments	841.32	-	841.32
Total amount recognised in other comprehensive income	2,475.29	32.20	2,507.49
Exchange differences (recognised in Foreign Currency translation reserve)	172.41	(35.54)	136.87
- Employers	-	(27.11)	(27.11)
- Plan participants	-	-	-
Payments from plan:			
Benefit payments	(149.59)	149.59	-
March 31, 2019	6,397.60	(585.82)	5,811.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2019	6,397.60	(585.82)	5,811.78
Current service cost	872.82	-	872.82
Net Interest cost	393.03	(35.99)	357.04
Total amount recognised in profit or loss	1,265.85	(35.99)	1,229.86
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
- Actuarial (gain)/loss from change in demographic assumptions	-	-	-
- Actuarial (gain)/loss from change in demographic assumptions	313.79	5.02	318.81
- Actuarial (gain)/loss from change in financial assumptions	51.17	-	51.17
Total amount recognised in other comprehensive income	364.96	5.02	369.98
Exchange differences (recognised in Foreign Currency translation reserve)	872.91	(56.42)	816.49
Contributions:			
- Employers	-	(24.36)	(24.36)
- Plan participants	-	-	-
Payments from plan:	(326.25)	326.25	-
Benefit payments	-	-	-
March 31, 2020	8,575.07	(371.32)	8,203.75

Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	Funded	Unfunded	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2018	2,257.59	258.79	2,516.38	(1,316.00)	1,200.38
Current Service Cost	358.77	33.41	392.18	-	392.18
Interest expense/(income)	156.45	17.93	174.38	(91.20)	83.18
Total Amount recognised in profit or loss	515.22	51.34	566.56	(91.20)	475.36
Remeasurements					
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	51.55	51.55
- Actuarial (gain)/loss from change in demographic assumptions	-	-	-	-	-
- Actuarial (gain)/loss from change in financial assumptions	39.79	4.33	44.12	-	44.12
- Actuarial (gain)/loss arising from experience adjustments	(59.91)	39.96	(19.95)	-	(19.95)
- Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
Total amount recognised in other comprehensive income	(20.12)	44.29	24.17	51.55	75.72
Transfers	-	-	-	-	-
Contributions:					
Employer contributions	-	-	-	(45.01)	(45.01)
Benefit payments	(264.77)	(26.57)	(291.34)	264.77	(26.57)
March 31, 2019	2,487.92	327.85	2,815.77	(1,135.89)	1,679.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Funded	Unfunded	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2019	2,487.92	327.85	2,815.77	(1,135.89)	1,679.88
Current Service Cost	345.85	40.29	386.14	-	386.14
Interest expense/(income)	155.53	21.84	177.37	(73.15)	104.22
Total Amount recognised in profit or loss	501.38	62.13	563.51	(73.15)	490.36
Remeasurements					
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	60.47	60.47
- Actuarial (gain)/loss from change in financial assumptions	71.23	-	71.23	-	71.23
- Actuarial (gain)/loss arising from experience adjustments	187.06	29.71	216.77	-	216.77
- Actuarial (gain)/loss arising from experience adjustments	158.44	41.88	200.32	-	200.32
Total amount recognised in other comprehensive income	416.73	71.59	488.32	60.47	548.79
Contributions:					
Employer contributions	-	(38.76)	(38.76)	(42.87)	(81.63)
Liability Transferred Out/ Divestments	(344.94)	-	(344.94)	-	(344.94)
Benefit payments	(314.33)	-	(314.33)	314.33	-
March 31, 2020	2,746.76	422.81	3,169.57	(877.11)	2,292.46

The following table shows the breakdown of the defined benefit obligation and plan assets:

	As at March 31, 2020			As at March 31, 2019		
	Gratuity	Pension	Total	Gratuity	Pension	Total
Present Value of Obligation	3,169.57	8,575.07	11,744.64	2,815.77	6,397.60	9,213.37
Fair value of plan assets	(877.11)	(371.32)	(1,248.43)	(1,135.89)	(585.82)	(1,721.71)
Total Liability	2,292.46	8,203.75	10,496.21	1,679.88	5,811.78	7,491.66

(vi) Actuarial assumptions pension and gratuity

The significant actuarial assumptions were as follows:

	March 31, 2020		March 31, 2019	
	Gratuity	Pension	Gratuity	Pension
Discount Rate	4.96%	5.21%-5.45%	5.83%	6.66%
Salary growth rate	3.00%	4%-6%	3.50%	4%-6%
Rate of return on Plan assets	6.71%	5.45%	2.85%	6.66%
Mortality rate	1994GAMT	Indian Assured lives Mortality (2006-08) Ultimate	1994GAMT	Indian Assured lives Mortality (2006-08) Ultimate
Rate of Employee turnover	8% to 37% p.a.	For agents 45% p.a. and others 10% to 50% p.a.	8% to 37% p.a.	For agents 80% p.a. and others 10% to 50% p.a.

Assumptions regarding mortality experience are set based on advice from published statistics.

The discount rate is primarily based on the prevailing market yields of government securities for the estimated term of the obligations. The estimates of future salary increases takes into account the inflation, seniority and other relevant factors. Attrition rate considered is the Management estimate based on employee turnover. The expected return on plan assets is based on expectation of the average rate of return expected on investment of the fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(vii) Sensivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on defined benefit obligation

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	1%	1%	(747.83)	(696.54)	783.23	727.73
Salary Growth rate	1%	1%	798.36	744.51	(786.31)	(734.83)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(viii) The major categories of plan assets are as follows

	As at March 31, 2020			As at March 31, 2019		
	Level -1	Level-3	Total	Level -1	Level-3	Total
Pension						
Debt Instruments						
- Government Bonds	77.11	-	77.11	192.06	-	192.06
- Corporate Bonds	206.99	-	206.99	334.90	-	334.90
Cash and cash equivalents	85.33	-	85.33	42.96	-	42.96
Others	-	1.89	1.89	-	15.88	15.88
Gratuity						
Investment funds (Gratuity)						
- Insurance Funds (LIC Pension and Group Schemes fund)	-	877.11	877.11	-	1,135.89	1,135.89
Total	369.43	879.00	1,248.43	569.92	1,151.77	1,721.69

(ix) Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.
Changes in bond yields	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Life expectancy	The pension is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets in FY 2019-20 consists of government & Corporate bonds and LIC Pension, The plan asset mix is in compliance with the requirements of the respective local regulations.

(x) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 is ₹ 3,284.40 lakhs.

The weighted average duration of Gratuity plan obligation is 3 years. The average duration of Pension plan obligation is 15 years. The expected maturity analysis of undiscounted pension and gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020					
Pension plan benefit obligation	1,012.13	602.80	2,267.25	39,152.28	43,034.46
Gratuity plan benefit obligation	359.58	363.54	772.24	2,594.53	4,089.89
Total	1,371.71	966.34	3,039.49	41,746.81	47,124.35
March 31, 2019					
Pension plan benefit obligation	591.96	845.55	1,852.28	5,438.05	8,727.84
Gratuity plan benefit obligation	518.78	291.19	804.91	2,950.69	4,565.57
Total	1,110.74	1,136.74	2,657.19	8,388.74	13,293.41

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans based on short term expected pay-outs in line with the actuary's recommendations.

39 Capital management

A) Capital Structure

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio.

Net debt (total borrowings net of cash and cash equivalents)/ Total 'equity' as shown in the balance sheet, including non-controlling interests)

The gearing ratios were as follows:

	As at March 31, 2020	As at March 31, 2019
Total borrowings (Refer Note 16)	60,422.38	59,109.34
Cash and cash equivalents(Refer Note 11 a)	(53,082.43)	(32,324.61)
Net Debt	7,339.95	26,784.73
Total Equity	173,183.63	165,116.95
Net Debt to Equity ratio*	4%	16%

* Lease liabilities are not included for computing the gearing ratio.

Loan covenants

The Group has complied with financial covenants implied as a part of external borrowing facilities throughout the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

B) Dividends

	As at March 31, 2020	As at March 31, 2019
(i) Equity shares		
Final dividend for the year ended March 31, 2019 ₹ 2.50 (March 31, 2018 - ₹ 2.50) per fully paid equity share	520.97	520.57
Interim dividend for the year ended March 31, 2020 of ₹ 20 (March 31, 2019 - ₹7.50) per fully paid equity share	4,172.34	1,562.28
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended payment of a final dividend of ₹ Nil per fully paid equity share (March 31, 2019 - ₹ 2.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	520.97

40 Related Party Transactions

I) Individual having control with his relatives and associates

Mr. Ashok P. Hinduja

II) Key Management Personnel

Mr. Partha DeSarkar, Manager & Chief Executive Officer (Upto September 3, 2019) and Whole-time Director & Chief Executive Officer (From September 4, 2019)

Non executive directors:

Mr. Ramkrishnan P. Hinduja, Chairman (Upto September 3, 2019)

Ms. Shanu S.P. Hinduja, Co-chairperson (Upto September 3, 2019)

Ms. Vinoo S. Hinduja (Upto September 3, 2019)

Mr. Rajendra P. Chitale (Upto July 2, 2019)

Mr. Rangan Mohan (Upto July 2, 2019)

Mr. Pradeep Mukerjee (Upto September 2, 2019)

Mr. Yashodhan Madhusudan Kale, Chairman* and Non-executive Director

Mr. Anil Harish

Ms. Bhumika Batra (From September 4, 2019)

Mr. Sudhanshu Kumar Tripathi (From September 30, 2019)

Dr. Ganesh Natarajan (From September 30, 2019)

* Chairman from September 30, 2019

III) Enterprises where common control exists

- Hinduja Group Limited
- NXTDIGITAL Limited (Formerly known as Hinduja Ventures Limited)
- IndusInd Media and Communication Limited
- National Health and Education Society
- Hinduja Healthcare Limited
- Hinduja Realty Ventures Limited
- UActiv Technology Private Limited (Upto September 3, 2019)
- Cyqurex Systems Private Limited
- Hinduja Foundation
- Trunk Digital Studios LLC Upto September 3, 2019)
- GOCL Corporation Limited (From September 30, 2019)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

12 IDL Explosives Limited (From September 30, 2019)

13 Hinduja Energy (India) Ltd

14 Hinduja National Power Corporation Limited

IV) Enterprises where Significant Influence is exercised by Directors

1 Finac Services Limited

2 Hinduja Bank Switzerland Limited (Upto September 3,2019)

3 Global Talent Track Private Limited (From September 30, 2019)

4 5F World Private Limited (From September 30, 2019)

5 Skills Alpha Learning Private Limited (From September 30, 2019)

6 Vihur Apps Private Limited

7 Synergy Global outsourcing LLC (Upto September 3,2019)

8 HBI Group Inc (Upto September 3,2019)

9 HBI Incorporated NV. (Upto September 3,2019)

10 Atlantic International BPO Colombia S.A.S (Upto September 3,2019)

11 Atlantic International BPO Cayman Inc (Upto September 3,2019)

12 Mesilla Office Solutions LLC (Upto September 3,2019)

13 Caytel Contracting Limited (Upto September 3,2019)

14 Hinduja Capital Advisors Inc (Upto September 3,2019)

15 HF Advisors LLC (Upto September 3,2019)

16 Jobs America Inc (Upto September 3,2019)

V Relatives of Key Management personnel including directors whether executive or otherwise

Mr. Pabitra DeSarkar (Father)

Rangan Mohan Associates (Firm in which Mr. Rangan Mohan is a Partner) (Upto July 2, 2019)

D M Harish & Co (Firm in which Mr. Anil Harish is a Partner)

Satya A Hinduja

P.K. DeSarkar (Firm in which Mr. Partha DeSarkar is partner)

Corner Stone Ventures Partners Investment Advisers LLP (Firm in which Dr. Ganesh Natarajan is a partner) (From September 30, 2019)

M/s. Crawford Bayley & Co. (Firm in which Ms. Bhumika Batra is a partner) (From September 4, 2019)

5F World (Firm in which Dr. Ganesh Natarajan is a partner)(From September 30, 2019)

VI) The company has transactions with following entities which are not covered under the related party definition under Ind AS 24 Related Party Disclosures, however the same has been disclosed as an additional information:

1 Ashok Leyland Limited

2 IndusInd Bank Limited

3 Gulf Oil Lubricant India Limited

4 HBI Group Inc (From September 4,2019)

5 HBI Incorporated NV.(From September 4,2019)

6 Synergy Global Outsourcing LLC (From September 4,2019)

7 Gulf Oil International Limited

8 Atlantic International BPO Colombia S.A.S (From September 4,2019)

9 Atlantic International BPO Cayman Inc (From September 4,2019)

10 Mesilla Office Solutions LLC (From September 4,2019)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- 11 Caytel Contracting Limited (From September 4,2019)
- 12 Hinduja Capital Advisors Inc (From September 4,2019)
- 13 HF Advisors LLC (From September 4,2019)
- 14 Jobs America Inc (From September 4,2019)
- 15 Hinduja Bank Switzerland Limited (From September 4,2019)
- 16 Trunk Digital Studios LLC (From September 4,2019)
- 17 Hinduja Automotive Limited

The following details pertain to transactions carried out with the related parties in the ordinary course of business at an arm's length and the balances outstanding at the year-end:

	Parties referred to in II and V above		Parties referred to in III and IV above		Parties referred to in VI above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Rendering of Services						
IndusInd Media and Communication Limited	-	-	49.36	54.81	-	-
National Health and Education Society	-	-	118.13	111.57	-	-
Hinduja Automotive Limited	-	-	-	-	-	30.84
Jobs America Inc	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	601.54	663.25
IndusInd Bank Limited	-	-	-	-	1,489.91	1,152.42
Gulf Oil International Limited	-	-	-	-	10.29	3.65
Gulf Oil Lubricant India Limited	-	-	-	-	7.68	-
Cyqurex Systems Private Limited	-	-	4.82	95.06	-	-
Others	0.20	0.20	4.43	19.24	-	-
Total	0.20	0.20	176.75	280.68	2,109.41	1,850.16
Interest income						
Hinduja Group Limited	-	-	224.39	-	-	-
Hinduja Realty Ventures Limited	-	-	251.92	-	-	-
Hinduja Energy (India) Ltd	-	-	7.28	-	-	-
Total	-	-	483.59	-	-	-
Lease payments						
Hinduja Group Limited	-	-	91.68	121.64	-	-
Hinduja Realty Ventures Limited	-	-	178.93	190.02	-	-
Satya A Hinduja	54.90	52.29	-	-	-	-
Total	54.90	52.29	270.61	311.66	-	-
Link Connectivity Charges						
IndusInd Media & Communications Ltd	-	-	2.75	2.06	-	-
Total	-	-	2.75	2.06	-	-
Corporate social responsibility (CSR)						
National Health and Education Society	-	-	290.00	100.00	-	-
Total	-	-	290.00	100.00	-	-
Commission to Directors & sitting fees						
Commission to Directors	325.00	305.00	-	-	-	-
Sitting fees paid to Director's	106.00	89.00	-	-	-	-
Total	431.00	394.00	-	-	-	-
Executive Remuneration*						
Mr. Partha DeSarkar #	1,160.37	774.47	-	-	-	-
Total	1,160.37	774.47	-	-	-	-

Note:

* The above Executive remuneration excludes Gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

#Maximum Variable Pay for the year 2019-20, dependent on satisfactory performance and subject to NRC approval for ₹ 360.56 lakhs, payable in FY 2020-21. Maximum deferred pay, subject to agreed targets being met and approved by the NRC, ₹ 507.30 Lakhs, payable in FY 2022-2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Parties referred to in II and V above		Parties referred to in III and IV above		Parties referred to in VI above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance paid to key managerial personnel towards travel						
Mr. Partha DeSarkar	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Consultancy Charges						
Hinduja Group Limited	-	-	-	281.83	-	-
Total	-	-	-	281.83	-	-
Miscellaneous Expenses						
Hinduja Realty Ventures Limited	-	-	18.72	0.50	-	-
Total	-	-	18.72	0.50	-	-
Loans Receivable						
Hinduja Group Limited	-	-	15,000.00	-	-	-
Hinduja Realty Ventures Limited	-	-	15,000.00	-	-	-
Hinduja Energy (India) Ltd	-	-	4,000.00	-	-	-
Total	-	-	34,000.00	-	-	-
Interest Receivable on Loans						
Hinduja Group Limited	-	-	3.43	-	-	-
Hinduja Realty Ventures Limited	-	-	3.43	-	-	-
Hinduja Energy (India) Ltd	-	-	0.91	-	-	-
Total	-	-	7.77	-	-	-
Security deposit						
Hinduja Group Limited	-	-	-	4.90	-	-
Hinduja Realty Ventures Limited	-	-	42.00	42.00	-	-
Satya A Hinduja	12.00	12.00	-	-	-	-
Total	12.00	12.00	42.00	46.90	-	-
Receivable net of Payables as at year-end						
Mr. Partha DeSarkar #						
NXTDIGITAL Limited [Refer footnote 1 of Note 31(A)]	-	-	1,868.99	1,868.99	-	-
Ashok Leyland Limited	-	-	-	-	15.08	75.71
IndusInd Bank Limited	-	-	-	-	45.12	146.96
Gulf Oil International Limited	-	-	-	-	4.77	3.65
Gulf Oil Lubricant India Limited	-	-	-	-	-	10.79
Others	-	-	68.01	78.29	-	-
Total	-	-	1,937.00	1,947.28	64.96	237.11
Payable net of Receivables as at year-end						
Hinduja Group Limited	-	-	5.62	70.45	-	-
Total	-	-	5.62	70.45	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Parties referred to in IV above	Parties referred to in VI above	Parties referred to in IV & VI above	Parties referred to in IV above
	March 31, 2020			
	April 1, 2019 to September 3 2019	September 4 2019 to March 31, 2020	Total	March 31, 2019
Rendering of Services				
Atlantic International BPO Colombia S.A.S	90.89	65.46	156.35	167.74
Trunk Digital Studios LLC	-	-	-	13.25
Total	90.89	65.46	156.35	180.99
Interest income				
Atlantic International BPO Cayman Inc	182.41	257.50	439.91	462.34
Total	182.41	257.50	439.91	462.34
Professional Fees				
HBI Group Inc (Payment made to HBI Incorporated NV. till August 2018)	230.90	328.79	559.69	953.83
Hinduja Capital Advisors Inc	44.40	114.39	158.79	131.05
Total	275.30	443.18	718.48	1,084.88
Lease payments				
Mesilla Office Solutions LLC	127.88	-	127.88	251.62
Total	127.88	-	127.88	251.62
Connectivity cost				
Caytel Contracting Limited	1,084.53	1,272.57	2,357.10	2,304.72
Total	1,084.53	1,272.57	2,357.10	2,304.72
Commission				
HBI Group Inc (Payment made to HBI Incorporated NV. till August 2018)	1,465.92	2,224.18	3,690.10	3,431.75
Synergy Global outsourcing LLC	1,827.05	2,933.00	4,760.05	4,005.61
Hinduja Bank Switzerland Limited	18.13	25.38	43.51	44.37
Total	3,311.10	5,182.56	8,493.66	7,481.73
Miscellaneous Expenses				
HBI Group, Inc.	26.19	-	26.19	20.39
Jobs America Inc	-	-	-	199.53
Total	26.19	-	26.19	219.92
Purchase of Fixed Assets				
Atlantic International BPO Colombia S.A.S	-	-	-	658.94
Total	-	-	-	658.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Parties referred to in VI above	
	As at March 31, 2020	As at March 31, 2019
Loans Receivable		
Atlantic International BPO Cayman Inc	9,232.52	8,486.96
Total	9,232.52	8,486.96
Interest Receivable on Loans		
Atlantic International BPO Cayman Inc	132.08	2.00
Total	132.08	2.00
Cash and cash equivalents		
Hinduja Bank switzerland Limited	842.73	1,019.69
Total	842.73	1,019.69
Receivable net of Payables as at year-end		
Atlantic International BPO Colombia S.A.S	-	166.28
Hinduja Capital Advisors Inc	74.24	-
Total	74.25	166.29
Payable net of Receivables as at year-end		
Atlantic International BPO Colombia S.A.S	374.23	-
Synergy Global outsourcing LLC	3,783.35	1,096.21
HBI Group Inc	2,966.06	945.21
Jobs America Inc	-	199.53
Caytel Contracting Limited	720.85	869.97
Mesilla Office Solutions LLC	135.66	-
Total	7,980.16	3,110.92

41 Fair Value Measurements

(a) Financial instruments by category

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Treasury bills	-	-	1,032.12	-	-	1,453.01
Security deposits	-	-	5,542.77	-	-	5,875.83
Deposits with bank for Margin Money	-	-	110.11	-	-	104.51
Bank deposits with maturity exceeding 12 month	-	-	1,078.51	-	-	1,019.78
Trade receivables	-	-	98,932.85	-	-	116,622.79
Cash and cash equivalents	-	-	53,082.43	-	-	32,324.61
Other Bank balances	-	-	410.41	-	-	415.74
Interest accrued on deposits/ loans	-	-	180.95	-	-	45.59
Other receivables	-	-	502.71	-	-	162.18
Derivative financial assets	-	334.54	-	-	2,334.50	-
Loans to third parties	-	-	43,232.52	-	-	8,486.96
Total Financial assets	-	334.54	204,105.38	-	2,334.50	166,511.00
Financial liabilities						
Borrowings	-	-	60,422.38	-	-	59,109.34
Lease Liability	-	-	84,407.28	-	-	1,111.22
Deferred consideration payable	-	-	3,670.72	-	-	4,618.24
Trade payables	-	-	28,175.23	-	-	24,124.52
Derivative financial liabilities	-	7,076.74	-	-	584.72	-
Other financial liabilities	-	-	17,801.95	-	-	17,864.13
Total Financial liabilities	-	7,076.74	194,477.56	-	584.72	106,827.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

(i) Fair Value Hierarchy

Financial assets and liabilities include cash and cash equivalents, trade receivables, long and short-term loans and borrowings, finance lease payables, bank overdrafts, trade payable. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Date of Valuation	Notes	Level 1	Level 2	Level 3	Total
Derivatives designated as hedges						
Foreign exchange forward contracts*	March 31, 2020	7&13	-	334.54	-	334.54
	March 31, 2019		-	2,334.50	-	2,334.50
Derivatives designated as hedges						
Foreign exchange forward contracts*	March 31, 2020	18&22	-	6,013.47	-	6,013.47
	March 31, 2019		-	235.32	-	235.32
Interest Rate Swap	March 31, 2020	18	-	1,063.27	-	1,063.27
	March 31, 2019		-	349.40	-	349.40

*The fair value of derivative financial instruments is determined based on the observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Derivative financial instruments:

The Group has evaluated the impact of the COVID-19 event on its highly probable transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction. The Group has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

42 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits for Customers
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The Group's risk management is carried out by the finance department under direction of the Board of Directors. The Group's finance department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides direction for overall risk management as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and managing the liquidity.

A) Credit risk

Credit risk arises from trade receivables include unbilled receivables, cash and cash equivalents and deposits with banks and financial institutions.

i) Credit risk management:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Credit risk is managed on a financial asset basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Group's maximum exposure to credit risk for each class of financial asset is the carrying amount of the financial assets recognised in the balance sheet.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Historical trend default in case applicable financial asset
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Other applicable macroeconomic information such as regulatory changes

A default on a financial asset is when the counterparty fails to make contractual payments within agreed credit terms from the date when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables include unbilled receivables amounting to ₹ 98,932.85 Lakhs (March 31, 2019 - ₹ 1,16,622.79 Lakhs) as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 120 days past due from agreed credit terms with customer. The Company expects that expected credit loss has been factored in estimating the credit risk which includes arriving at the default rate based on historical trend and adjusted for current and forward looking macro economic considerations for impairment is not significant based on historical trend and the nature of business. The provision made as at the reporting date is considered to be adequate as management continuously assesses the requirement for provision on ongoing basis. During the year, the Group made write-offs of ₹ 131.87 lakhs (March 31, 2019 - ₹ 117.61 lakhs) of trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Exposure of credit loss on security deposits given against the rented premises is considered to be low as recovery of these deposits is supported by contractual agreement. As a internal process management performs background check of counterparty before entering into contractual agreement where credit risk assessment is carried out. As at reporting date credit risk has not increased significantly since initial recognition.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Ratings of customers are periodically monitored. The Group has considered the latest available credit-ratings of customers in view of COVID-19 to ensure the adequacy of allowance for expected credit loss towards trade and other receivables.

- a) The following table gives details in respect of percentage of revenues generated from top customer and top five customers.

	March 31, 2020	March 31, 2019
Revenue from top customer	18.90%	16.94%
Revenue from top five customers	48.30%	47.64%

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Ageing	March 31, 2020	March 31, 2019
Expiring within one year (bank overdraft and other facilities)	21,071.51	32,491.97
Total	21,071.51	32,491.97

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity Groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities - March 31, 2020	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	30,224.06	10,374.35	19,823.97	-	60,422.38
Obligations under finance lease	11,492.91	11,134.74	31,644.94	30,134.69	84,407.28
Deferred consideration payable	2,015.30	1,655.42	-	-	3,670.72
Trade payables	28,175.23	-	-	-	28,175.23
Other financial liabilities	17,801.95	-	-	-	17,801.95
Total non-derivative liabilities	89,709.45	23,164.51	51,468.91	30,134.69	194,477.56
Derivatives					
Foreign exchange forward Contracts - net settled	7,076.74	-	-	-	7,076.74
Total derivative liabilities	7,076.74	-	-	-	7,076.74

Contractual maturities of financial liabilities - March 31, 2019	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	27,523.79	7,208.79	24,376.76	-	59,109.34
Obligations under finance lease	263.24	534.55	313.43	-	1,111.22
Deferred consideration payable	-	-	2,861.38	-	2,861.38
Trade payables	24,124.52	-	-	-	24,124.52
Other financial liabilities	19,620.99	-	-	-	19,620.99
Total non-derivative	71,532.54	7,743.34	27,551.57	-	106,827.45
Derivatives					
Foreign exchange forward Contracts - net settled	584.72	-	-	-	584.72
Total derivative liabilities	584.72	-	-	-	584.72

C) Market risk

i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, GBP and CAD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows.

The company's risk management policy is to hedge upto 75% of forecasted foreign currency sales for the next 12 months; 40% of forecasted foreign currency sales for the next 24 months and 20% of forecasted foreign currency sales for the next 36 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge the forecasted sales.

The objective of the hedges is to minimize the volatility of the functional currency cash flows of highly probable forecast transactions.

In accordance with its risk management policies and procedures, the Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered for the purpose of being a hedge, the Company matches the terms of the derivatives to the terms of the hedged exposure and assesses the effectiveness of the hedged item match the terms of the hedged exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

ii) Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	Currency	As at	
		March 31, 2020	March 31, 2019
Financial assets			
Loans	USD	30,147.00	27,712.52
Trade receivables/ Inter- company balances	USD	72,053.85	67,547.03
	GBP	2,478.97	121.08
	SGD	2.64	2.52
	CAD	14.41	73.52
	AED	7.39	-
Loans/Inter- company balances	USD	70,768.47	63,580.99
	GBP	5,673.00	5,285.65
	CAD	14,032.51	9,146.35
Bank balance in EEFC accounts	USD	3,450.13	1,827.35
	CAD	3,941.92	2,074.84
Financial liabilities			
Borrowings/ Inter- company balances	USD	45,462.66	42,768.94
Finance Lease Liability	USD	4,915.22	-
Loans/Inter- company balances	USD	3,999.25	-
Deferred consideration Payable	USD	3,670.72	4,123.08
Trade payable/ Inter- company balances	USD	8,175.51	3,776.83
	GBP	0.36	4.64
	CAD	-	4.09

iii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on profit after tax	
	March 31, 2020	March 31, 2019
USD sensitivity		
INR/USD -Increase by 5% (March 31, 2019-4%)*	3,584.68	2,862.62
INR/USD -Decrease by 5% (March 31, 2019-4%)*	(3,584.68)	(2,862.62)
GBP sensitivity		
INR/GBP -Increase by 8% (March 31, 2019 - 8%)*	424.28	281.17
INR/GBP -Decrease by 8% (March 31, 2019 - 8%)*	(424.28)	(281.17)
CAD sensitivity		
INR/CAD -Increase by 4%(March 31, 2019-4%)*	468.14	293.83
INR/CAD -Decrease by 4% (March 31, 2019-4%)*	(468.14)	(293.83)

* Holding all other variables constant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

iv) Interest rate risk

The Groups' main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Groups' manages it's net exposure to interest rate risk relating to borrowings by entering into interest rate swap agreements, which allows it to exchange periodic payments based on a notional amounts and agreed upon fixed and floating interest rates.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	37,395.03	37,420.04
Total borrowings	37,395.03	37,420.04

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest rates - increase by 70 basis points (70 bps)*	(261.85)	(300.27)
Interest rates - decrease by 70 basis points (70 bps)*	261.85	300.27

* Holding all other variables constant

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

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.

Hedge ineffectiveness is recognised on a cash flow hedge in the statement of profit and loss. Ineffectiveness represents remaining portion of gain or loss on the hedging instrument that cannot be offset with the change in the fair value of the hedged item.

Refer Statement of changes in equity.

March 31, 2020

Types of hedge and risks	Foreign Currency Notional Amount (USD Mn)	Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Foreign exchange forward contracts							
Sell USD, buy INR	185.50	-	(6,002.04)	March, 2023	1:1	(6,002.04)	6,002.04
Sell USD, buy PHP	94.40	334.54	(11.43)	March, 2021	1:1	323.11	(323.11)
Interest rate risk							
Interest rate swap	29.98	-	(1,063.27)	February, 2024 and September, 2023		(1,063.27)	1,063.27
Hedge of net investment in foreign operations	20.00		(1,217.24)		-	(1,217.24)	1,217.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

March 31, 2019

Types of hedge and risks	Foreign Currency Notional Amount (USD Mn)	Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Foreign exchange forward contracts:							
Sell USD, buy INR	92.50	2,167.20	(163.96)	April, 2020	1:1	2,003.24	(2,003.24)
Sell USD, buy PHP	56.50	167.30	(71.36)	Dec, 2019	1:1	95.94	(95.94)
Interest rate risk							
Interest rate swap	34.26	-	(349.40)	February, 2024 and September, 2023	-	(349.40)	349.40
Hedge of net investment in foreign operations	20.00	-	198.74	-	-	198.74	(198.74)

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

March 31, 2020

Type of hedge	Change in the value of hedging instrument recognized in Other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(4,173.15)	-	(3,605.32)	Revenue
Interest rate risk	(713.87)	-	-	Finance Cost
Net investment in foreign operations	(1,217.24)			Foreign currency translation reserve

March 31, 2019

Type of hedge	Change in the value of hedging instrument recognized in Other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(897.86)	-	2,725.13	Revenue
Interest rate risk	(349.40)	-	-	Finance cost
Net investment in foreign operations	198.74	-		Foreign currency translation reserve

43 Interests in other entities

Subsidiaries

The Group's subsidiaries at March 31, 2020 are set out below and were engaged in the business process management business. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

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Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		%	%	%	%
HGS International	Mauritius	100	100	-	-
Hinduja Global Solutions Inc.	United States of America	100	100	-	-
HGS Properties LLC	Canada	100	100	-	-
HGS Canada Holdings LLC		100	100	-	-
HGS Colibrium LLC***		100	95.2	-	4.8
HGS Healthcare LLC		100	100	-	-
HGS EBOS LLC		100	100	-	-
HGS (USA), LLC		100	100	-	-
HGS Digital, LLC (Formerly known as Element Solutions LLC)****		71.33	57	28.67	43
HGS Axis Point Health LLC		100	100	-	-
HGS Canada Inc.		100	100	-	-
Affina Company, Canada		100	100	-	-
C-Cubed B.V.	Netherlands	100	100	-	-
C-Cubed N.V.	Curacao	100	100	-	-
Customer Contact Centre Inc.**	Philippines	100	100	-	-
Hinduja Global Solutions Europe Limited	United Kingdom	100	100	-	-
Hinduja Global Solutions UK Limited	France	100	100	-	-
HGS France, S.A.R.L.*		100	100	-	-
HGS St. Lucia Limited	Saint Lucia	100	100	-	-
Team HGS Limited	Jamaica	100	100	-	-
Hinduja Global Solutions Mena FZ LLC	United Arab Emirates	100	100	-	-
Falcon Health Solutions Puerto Rico Holding LLC	Puerto Rico	100	100	-	-
Falcon Health Solutions Puerto Rico LLC	Puerto Rico	100	100	-	-

Note:

* Under liquidation.

** Liquidated effective April 3, 2018 (While these are officially liquidated, the repatriation of funds are not yet complete and hence these are still part of the consolidated financial statements).

*** During the year, HGS International Mauritius, (a wholly owned subsidiary of Hinduja Global Solutions Limited) which held 95.2% equity interest in "HGS Colibrium Inc., USA". It acquired an additional equity interest of 4.8% in "HGS Colibrium Inc., USA". Consequently, the shareholding of the HGS International, Mauritius in HGS Colibrium Inc., has increased to 100%.. Further, HGS Colibrium has converted itself to HGS Colibrium LLC and effective March 31, 2020, post reorganization, HGS Colibrium LLC has become a subsidiary of "Hinduja Global Solutions Inc, USA (a wholly owned subsidiary of HGS International, Mauritius).

**** Additional equity stake of 14.33% was acquired during the year pursuant to the Membership Interest Agreement dated March 29, 2018.

44 Segment reporting

The Group's board of directors along with it's chief executive officer, examines the Group's performance and has identified single reportable segment, namely business process management. Board of directors primarily uses a measure of adjusted earnings before interest and tax (EBIT) to assess the performance of the operations.

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(All amounts are in Rupees Lakhs)

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	Year ended March 31, 2020	Year ended March 31, 2019
USA and Canada	427,385.26	388,732.75
India	49,463.50	51,053.84
Europe	31,911.30	28,290.24
Rest of the world	14,776.48	13,589.99
Total	523,536.54	481,666.82

Revenue from major customers	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from five major customers (more than 10% of total revenue)	252,868.15	229,473.00
Others	270,668.39	252,193.82
Total	523,536.54	481,666.82

Non current assets and liabilities used in the Group's business across the locations are not identified to any of the segment as these are used interchangeably between segments. Accordingly management is of the view that separate disclosure of assets located in geographical location is not relevant.

45 Discontinued operations and Business combinations

i) Discontinued operations

a) Disposal of India Domestic Customer Relationship Management (CRM) business

On November 28, 2019 the Company had entered into a definitive agreement for sale of its India domestic CRM business to Altruist India Private Limited. The CRM business primarily comprises voice based contact centre services and some non-voice services to CRM customers. The business is operated as a division of the Company and the sale transaction was completed on January 31, 2020. The intent of disposal of CRM business by the Company is to consolidate the product offerings and focus on high-margin services.

b) Details of sale of the business

	Year ended March 31, 2020
Consideration received in Cash	3,591.74
Less: Carrying amount of net assets	2,156.42
Less: Transaction fee	355.00
Less: Assets written-off	114.54
Gain on sale before Income tax	965.78
Income tax expense	255.13
Gain on sale after Income tax	710.65

c) Carrying amount of assets and liabilities on the date of transfer is as follows:

	January 31, 2020
Non-Current Assets	
Property, Plant and equipment	2,564.78
Other Current Asset	
Employee advances	1.92
Current Liabilities	
Gratuity	(344.94)
Employee related liability	(65.34)
Net Assets disposed of	2,156.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

d) Analysis of profit for the year and cash flows from discontinued operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	23,920.39	34,626.92
Other Income	2,980.85	105.17
Total income	26,901.24	34,732.09
Employee benefit expense	16,406.76	23,334.14
Finance Cost	891.42	82.27
Depreciation and amortisation expense	3,871.09	1,843.27
Other Expenses	3,508.59	9,002.04
Total expenses	24,677.86	34,261.72
Profit before tax (I)	2,223.38	470.37
Income Tax expense (II)		
a)Current tax	132.34	108.82
b)Deferred tax	644.51	-
Total Income Tax expenses	776.85	108.82
Gain on disposal of domestic business (III)	965.78	-
Income Tax expense (IV)	255.13	-
Profit before tax from discontinued operations (I) + (III)	3,189.16	470.37
Income tax expense of discontinued operations (III) + (IV)	1,031.98	108.82
Profit after tax from discontinued operations (attributable to the owners of the Group)	2,157.18	361.55

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from discontinued operations		
Net cash inflows from operating activities	10,167.34	6,843.45
Net cash inflows/ (outflows) from investing activities	2,987.69	(1,100.19)
Net cash flows from financing activities	(2,301.69)	-
Net cash inflows	10,853.34	5,743.26

(ii) Summary of acquisition

(a) Summary of acquisition

In April 2018 the Group acquired 100% equity interest in of CMH Services Subsidiary LLC and 57% equity interest in Element Solutions LLC. CMH Services Subsidiary LLC was acquired through HGS Population Health LLC (an entity, incorporated by the group in United States of America, Delaware on February 20, 2018). Effective July 23, 2018 CMH Services Subsidiary LLC got merged with HGS Population Health LLC and the name has been changed to HGS Axis Point Health. Element Solutions LLC was acquired through Hinduja Global Solutions UK Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Details of Net assets acquired, purchase consideration are as follows:

Name of the Entity	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interest acquired (%)
Element Solutions LLC ("Element")	Digital implementation services	April 3, 2018	57%
HGS Axis Point Health LLC ("Axis Point")	Clinical guidance to health care plan customers	April 2, 2018	100%

Element provides high-end digital strategy and solutions, data driven marketing and cloud managed services to its customers in healthcare, manufacturing and retail space. The group has been investing significantly in technology and solutions to re-imagine customer experience. The investment in Element expands on this strategy and helps position as an end-to-end digital transformational leader. The company has initially acquired 57% equity interest, with the balance 43% to be acquired in three equal annual instalments in the year ended March 31, 2020 through year ended March 31, 2022.

The Consideration payable towards the balance equity interest is based on enterprise value of 6 times of EBITDA as of the end of respective residual period through March 31, 2019 to March 31, 2022.

Pursuant to the above, the Group has acquired an additional equity interest of 14.33% for a total consideration of Rs 1,155.25 Lakhs.

Axis Point adds a strategic capability to the group healthcare portfolio by strengthening presence in clinical services segment, and specifically in the population health management space. Axis Point provides care management, nurse advice line and analytics services. The Group has significant presence in US health care market and with acquisition of Axis Point the synergies have further enhanced in the health care segment.

Consideration transferred

Particulars	Element	Axis Point
Cash	3,025.70	8,723.20
Total	3,025.70	8,723.20

"Acquisition related costs amounting to ₹ 335.36 lakhs for the year ended March 31, 2019 have been excluded from the consideration transferred and have been recognized as an expense in profit or loss, within the "Other expense" line item.

Assets acquired and liabilities recognised at the date of acquisition

Particulars	Element	Axis Point	Total
Current assets	386.26	3,548.87	3,935.13
Cash and cash equivalents	353.47	41.30	394.77
Trade receivables	733.23	2,632.32	3,365.55
Property, Plant and Equipment	48.13	507.62	555.75
Computer Software	-	839.26	839.26
Customer Relationship	1,794.26	532.35	2,326.61
Customer Contracts	369.42	84.50	453.92
Non Compete fees	119.97	-	119.97
Acquired Technology	-	827.40	827.40
Deferred tax liability	(479.56)	(289.06)	(768.62)
Current liabilities	(1,050.98)	(1,995.43)	(3,046.41)
Trade payables	(172.50)	(122.64)	(295.14)
Total	2,101.70	6,606.49	8,708.19

The receivables acquired (which principally comprised trade receivables) in these transactions with a fair value of ₹ 733.23 lakhs (Element) and ₹ 2,632.32 lakhs (Axis point) had gross contractual amounts of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

₹ 733.23 lakhs and ₹ 2,632.32 lakhs respectively. The best estimate at acquisition date of the contractual cash flows not expected to be collected are Nil for both the entities.

Non-controlling interests

The non-controlling interest recognised at the acquisition date was measured by applying the percentage of non-controlling interest (43% ownership interest in Element) on net assets of the company.

Goodwill arising on acquisition

Particulars	Element	Axis Point	Total
Consideration transferred	3,025.70	8,723.20	11,748.90
Plus: non-controlling interests (43% in Element)	897.89	-	897.89
Less: fair value of identifiable net assets acquired	2,101.70	6,606.49	8,708.19
Goodwill arising on acquisition	1,821.89	2,116.71	3,938.60

Goodwill arose in the acquisition of Element and Axis point because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Element and Axis point. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes. Goodwill arising on the acquisition is included in Element Solutions LLC, USA, CGU (Element) and HGS Axis Point Health LLC, USA, CGU, which are subject to impairment testing as at March 31, 2020 (Note 35).

Net cash outflow on acquisition of subsidiaries

Particulars	Element	Axis point
Consideration paid in cash	3,025.70	8,723.20
Less: cash and cash equivalent balances acquired	353.47	41.30
	2,672.23	8,681.90

The Group has initially recognised liability of ₹ 4,120.76 Lakhs under Financial liabilities with a corresponding charge to equity for written put option for acquiring balance 43% of equity interest in Element Solutions LLC. The liability has been accreted during the year ended March 31, 2020 by charging Finance cost of ₹ 384.45 Lakhs (March 31, 2019 ₹ 230.15 Lakhs). Further during the year an amount of ₹ 1,155.25 has been paid towards acquisition of additional equity interest of 14.33% in Element solutions LLC.

Impact of acquisitions on the results of the Group

If the acquisitions made at the beginning of the current year, the impact is not material on the group as the Business combination was effective from April 3, 2018 and April 2, 2018 for Axis Point and Element respectively.

Included in the profit for the previous year ended March 31, 2019 is of ₹ 492.85 lakhs attributable to the additional business generated by Element, and Loss for the year ended March 31, 2019 is of ₹ (7,214.40) Lakhs attributable to Axis point. Revenue for the previous year ended March 31, 2019 includes ₹ 10,914.04 lakhs, ₹ 21,513.33 Lakhs for Element and Axis Point respectively.

iii) Sale of Business

During the previous year HGS Axis Point Health LLC has sold, customer contracts and transferred employees related to Guide Point with a Net carrying value of assets of ₹ 67.82 Lakhs including goodwill of Rs 455.98 Lakhs for a consideration of INR 3,715.90 lakhs (USD 5.30 million). The net gain accounted on sale of business is ₹ 3,114.43 lakhs (USD 4.47 million) for the Year ended March 31, 2019. (Refer note 25)

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(All amounts are in Rupees Lakhs)

46 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	534.25	316.15
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.02
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	0.02
Further interest remaining due and payable for earlier years	-	-

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Group.

47. Financial impact of initial application of Ind AS 116

The tables below show the amount of adjustment for each financial statement line item affected by the application of Ind AS 116 for the current year, as applicable.

Impact on statement of statement of profit and loss

Impact on statement of profit/ (loss) for the year	Year ended March 31, 2020	
	Continuing Operations	Discontinued Operations
Increase in depreciation and amortisation expense	13,512.40	1,798.91
Increase in finance costs	6,035.46	891.55
Decrease in other expenses	(15,581.26)	(2,301.69)
Increase/ (Decrease) in profit for the year	(3,966.60)	(388.77)
Increase/ (Decrease) in other comprehensive income for the year	-	-

Impact on earnings per share

Particulars	Year ended March 31, 2020
Increase/ (Decrease) in earnings per share from continuing and discontinued operations	
Basic (₹ per share)	(20.89)
Diluted (₹ per share)	(20.88)

Impact on assets, liabilities and equity as at April 1, 2019

Particulars	As previously reported *	Ind AS 116 adjustments	As restated
Right-of-use assets	3,020.84	69,759.86	72,780.70
Net impact on total assets	3,020.84	69,759.86	72,780.70
Lease liabilities	(1,111.22)	(77,381.12)	(78,492.34)
Net impact on total liabilities	(1,111.22)	(77,381.12)	(78,492.34)
Retained earnings (net of deferred tax)	-	6,398.57	6,398.57
Net impact on total liabilities and equity	1,909.62	(1,222.69)	686.93

* These amounts relate to finance lease arrangements recognised under Ind AS 17 and a leasehold building.

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Impact on assets, liabilities and equity as at March 31, 2020

Particulars	As at April 1, 2019	Ind AS 116 adjustments	As at March 31, 2020
Right-of-use assets	72,780.70	5,199.09	77,979.80
Net impact on total assets	72,780.70	5,199.09	77,979.80
Lease liabilities	(78,492.34)	(5,914.93)	(84,407.27)
Net impact on total liabilities	(78,492.34)	(5,914.93)	(84,407.27)
Retained earnings (net of deferred tax)	6,398.57	-	6,398.57
Net impact on total liabilities and equity	686.93	(715.84)	(28.91)

Group as a lessee

- The application of Ind AS 116 to leases previously classified as operating leases under Ind AS 17 resulted in the recognition of right-of-use assets and lease liabilities. These are presented as a separate line in the financial statements. It also resulted in a decrease in other expense, increase in depreciation and amortisation expense and increase in interest expense.
- Assets held under finance lease arrangements previously presented within property, plant and equipment is now presented as right-of-use-assets.
- Lease liability presented as a separate line item as lease liabilities.
- The lease incentives previously recognised with respect to operating leases has been derecognised and the amount factored in the measurement of the right-of-use assets and lease liabilities.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of practical expedients exercised for low value assets and short term leases as at adoption of the standard, measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

The following table shows the operating lease commitments disclosed applying Ind-AS 17 at March 31, 2019 and the lease liabilities recognised in the balance sheet at the date of initial application.

	(₹ in Lakhs)
Operating lease commitments as on March 31, 2019	117,368.29
Short term leases and leases of low value assets	2,873.82
Effect of discounting on above	(42,860.99)
Reclassification of Finance lease liabilities recognised under Ind-AS 17	1,111.22
Lease liabilities recognised as at April 1, 2019	78,492.34

The application of Ind AS 116 has an impact on the statement of cash flows of the Group

Under Ind AS 116, the Group has presented

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest and principal portion of lease liability as financing activities

Under Ind AS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. Consequently, the net cash generated by operating activities has increased by ₹ 17,882.95 lakhs and net cash used in financing activities increased by the same amount.

The adoption of Ind AS 116 did not have an impact on net cash flows.

Leases (Group as a lessee)

The Group leases several assets including buildings, furnitures and equipments. The average lease term is 6.62 years. (April 1, 2019 - 7.2 years)

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Right-of-use assets	Building	Computers	Furniture & Fixtures	Office Equipment	Total
Net carrying amount					
March 31, 2019	1,895.46	-	174.71	950.67	3,020.84
March 31, 2020	76,284.31	212.28	260.84	1,222.37	77,979.80
Depreciation expense for the year ended					
March 31, 2019	-	-	256.49	166.11	422.60
March 31, 2020	14,797.23	49.33	122.26	342.49	15,311.31

Amounts recognised in statement of profit and loss	Year ended March 31, 2020
Depreciation expense on right-of-use assets	15,311.31
Interest expense on lease liabilities	6,927.01
Expense relating to short-term leases	3,533.08
Expense relating to leases of low value assets	-
Expense relating to variable lease payments not included in the measurement of the lease liability	-

Lease liabilities	March 31, 2020
Non Current	72,914.37
Current	11,492.91
Total	84,407.28

Maturity analysis of Lease payments and short term & low value leases

Particulars	March 31, 2020	March 31, 2019	
		Operating Leases	Finance Leases
Not later than 1 year	17,529.70	17,454.90	267.07
Later than 1 year and not later than 5 years	58,147.89	61,124.81	844.15
Later than 5 years	35,627.76	38,788.58	-

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the treasury function.

48 Additional Information pursuant to para 2 of general information for the preparation of consolidated financial statements

Name of the entity in the group	Net Assets (total assets minus total liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Hinduja Global Solutions Limited								
March 31, 2020	97%	168,211.71	125%	25,172.47	495%	(3,106.71)	113%	22,065.76
March 31, 2019	96%	157,576.42	130%	23,048.64	-37%	(401.17)	120%	22,647.47
Subsidiaries								
Foreign								

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(All amounts are in Rupees Lakhs)

Name of the entity in the group	Net Assets (total assets minus total liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
HGS International								
March 31, 2020	68%	118,030.60	-1%	(262.43)	0%	-	-1%	(262.43)
March 31, 2019	69%	113,189.94	2%	336.57	0%	-	2%	336.57
Hinduja Global Solutions Inc.								
March 31, 2020	-14%	(24,918.47)	-47%	(9,518.66)	21%	(130.50)	-49%	(9,649.16)
March 31, 2019	-23%	(38,583.82)	-31%	(5,536.99)	-12%	(130.31)	-30%	(5,667.30)
C-Cubed N.V.								
March 31, 2020	0%	33.51	0%	(1.07)	0%	-	0%	(1.07)
March 31, 2019	0%	33.44	0%	(3.49)	0%	-	0%	(3.49)
HGS St.Lucia Limited								
March 31, 2020	0%	(17.92)	0%	-	0%	-	0%	-
March 31, 2019	0%	(16.47)	0%	-	0%	-	0%	-
Hinduja Global Solutions Europe Limited								
March 31, 2020	3%	5,285.23	0%	60.95	0%	-	0%	60.95
March 31, 2019	3%	5,361.07	1%	93.92	0%	-	0%	93.92
HGS Properties LLC								
March 31, 2020	4%	7,093.01	4%	784.69	0%	-	4%	784.69
March 31, 2019	4%	5,752.86	4%	632.42	0%	-	3%	632.42
HGS EBOS LLC								
March 31, 2020	1%	1,596.14	20%	3,959.41	0%	-	20%	3,959.41
March 31, 2019	-1%	(2,414.43)	8%	1,393.64	0%	-	7%	1,393.64
HGS(USA)LLC								
March 31, 2020	30%	52,310.88	11%	2,186.87	0%	-	11%	2,186.87
March 31, 2019	28%	45,913.32	7%	1,272.56	0%	-	7%	1,272.56
HGS Canada Holdings LLC								
March 31, 2020	15%	25,519.43	0%	-	0%	-	0%	-
March 31, 2019	14%	23,458.64	0%	-	0%	-	0%	-
HGS Canada Inc.								
March 31, 2020	-13%	(23,255.51)	-2%	(321.86)	0%	-	0%	(321.86)
March 31, 2019	-14%	(23,281.57)	-7%	(1,322.05)	0%	-	0%	(1,322.05)
HGS Health Care LLC								
March 31, 2020	14%	24,499.18	43%	8,688.08	0%	-	44%	8,688.08
March 31, 2019	9%	14,043.05	47%	8,287.10	0%	-	44%	8,287.10
Affina Company								
March 31, 2020	-1%	(2,270.86)	0%	-	0%	-	0%	-
March 31, 2019	-2%	(2,624.93)	0%	-	0%	-	0%	-

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Name of the entity in the group	Net Assets (total assets minus total liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Hinduja Global Solutions UK Limited								
March 31, 2020	26%	45,509.98	11%	2,150.25	0%	-	11%	2,150.25
March 31, 2019	25%	41,720.02	23%	4,102.00	0%	-	22%	4,102.00
HGS France S.A.R.L								
March 31, 2020	0%	(683.71)	0%	(9.73)	0%	-	0%	(9.73)
March 31, 2019	0%	(630.14)	0%	-	0%	-	0%	-
C-Cubed B.V.								
March 31, 2020	-2%	(3,164.53)	-1%	(155.77)	0%	-	-1%	(155.77)
March 31, 2019	-2%	(2,658.95)	-1%	(148.80)	0%	-	-1%	(148.80)
Customer Contact Center Inc.								
March 31, 2020	2%	3,448.89	-1%	(125.66)	0%	-	-1%	(125.66)
March 31, 2019	2%	3,181.59	0%	16.38	0%	-	0%	16.38
Team HGS Limied								
March 31, 2020	2%	3,178.67	5%	1,029.79	0%	-	5%	1,029.79
March 31, 2019	1%	1,938.60	5%	912.61	0%	-	5%	912.61
Hinduja Global Solutions Mena FZ LLC								
March 31, 2020	-3%	(5,610.03)	-1%	(147.17)	0%	-	-1%	(147.17)
March 31, 2019	-3%	(5,013.49)	-8%	(1,364.64)	0%	-	-7%	(1,364.64)
HGS Colibrium LLC								
March 31, 2020	7%	12,139.96	-16%	(3,189.20)	0%	-	-16%	(3,189.20)
March 31, 2019	-5%	(8,518.29)	-34%	(6,051.22)	0%	-	-32%	(6,051.22)
HGS Axis Health LLC								
March 31, 2020	-10%	(17,980.86)	-49%	(9,817.32)	0%	-	-50%	(9,817.32)
March 31, 2019	-4%	(7,011.30)	-50%	(8,823.89)	0%	-	-47%	(8,823.89)
Falcon Health Solutions Puerto Rico Holding LLC								
March 31, 2020	0%	-	0%	-	0%	-	0%	-
March 31, 2019	0%	-	0%	-	0%	-	0%	-
Falcon Health Solutions Puerto Rico LLC								
March 31, 2020	0%	576.40	-5%	(1,033.09)	0%	-	-5%	(1,033.09)
March 31, 2019	1%	1,609.49	9%	1,609.49	0%	-	9%	1,609.49
HGS Digital, LLC (Formerly known as Element Solutions LLC)								
March 31, 2020	2%	4,310.35	6%	1,280.07	0%	-	7%	1,280.07
March 31, 2019	2%	2,714.00	3%	492.85	0%	-	3%	492.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Name of the entity in the group	Net Assets (total assets minus total liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Less: Consolidation, Elimination and GAAP Adjustments								
March 31, 2020	-127%	(219,422.64)	-1%	(169.31)	-430%	2,700.57	13%	2,531.26
March 31, 2019	-98%	(160,622.10)	-7%	(1,307.73)	151%	1,652.11	2%	344.38
Less: Non-controlling interest								
March 31, 2020		1,235.78		367.00		90.68		457.68
March 31, 2019		758.14		(78.53)		25.31		(53.22)
Grand Total								
March 31, 2020		173,183.63		20,194.32		(627.32)		19,567.00
March 31, 2019		164,358.81		17,717.88		1,095.32		18,813.20

49 Exceptional items of ₹ 2,112.14 lakhs for the year end March 31, 2020 represents impairment of Goodwill and Customer relationship allocated to HGS Axis Point Health LLC cash generating unit, pursuant to the impairment assessment as required under Ind AS 36 Impairment of Assets.

50 Subsequent events:

Subsequent to the year ended March 31, 2020, HGS International (wholly owned subsidiary) has received a repayment of ₹ 188.42 Lakhs (USD 250,000), being partial repayment of the loan receivable as at March 31, 2020. Further on July 19, 2020 the subsidiary has executed a Debt Assignment Agreement, wherein the subsidiary has unconditionally transferred in entirety all its risks and rewards in the balance Loan receivable equivalent to Rs 9,044.10 Lakhs (USD 12 Million) to Hinduja Capital Limited in exchange for full cash consideration without retaining any control and continuing involvement. The buyer has purchased the loan without any recourse including legal or contractual.

The accompanying notes form an integral part of these consolidated financial statements.

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria

Partner

Membership No.060408

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

Place : Mumbai

Srinivas Palakodeti

Chief Financial Officer

Place : Bengaluru

Date : July 31, 2020

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Bengaluru

Mahadevan. S

Company Secretary

Place : Bengaluru

Place : Bengaluru

Date : July 31, 2020

AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUJA GLOBAL SOLUTIONS LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **HINDUJA GLOBAL SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and, the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch located at Philippines.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on financial information of the branch referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

AUDITORS' REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
1. Impairment Assessment of Goodwill related to UK Operations and HGS Axispoint Health LLC Cash Generating Units (CGUs). The Company, in its contracts with customers, promises to transfer distinct services ('performance obligations') which may be rendered in the form of backoffice processing, claim processing, and contact center services. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services ('transaction price'). At each reporting date, revenue is accrued for work performed that may not have been invoiced. On account of the possible disruption from the pandemic relating to COVID-19, judgment is required to: - Identify whether the Company's performance have resulted in a billable service that is collectable where the service deliveries have not been acknowledged by customers as at March 31, 2020. - Determine whether the service levels required under the contracts with customers have been met and measure the penalties for non-compliance, where applicable. Recognition of revenue before acknowledgment of receipt of services by customer and not recognizing penalties for not meeting the service levels defined in the contract, where applicable, could result in an overstatement of revenue and correspondingly, the profit. Accordingly, we consider accrual of unbilled revenues as a key audit matter.	Principal Audit Procedures Our audit procedures in relation to management's estimation of unbilled revenues included, among others: • We gained an understanding of the Company's processes in collating the evidence supporting delivery of services, for quantifying units of services that would be invoiced and the application of appropriate prices for each of such services. • We tested the design and operating effectiveness of controls in collating the units of services delivered and in the application of accurate prices for each of such services. • We have tested a sample of unbilled revenues as at March 31, 2020 with reference to the customer confirmations or reports from information systems that record the inputs relating to the services delivered to confirm the units of services delivered and contractual rates for the application of appropriate price for each of services. • We extended our audit procedures to the date of approval of financial statements by the Board of Directors of the Company to verify the subsequent invoicing of the unbilled revenues. We have also determined whether adjustments, if any, are necessary upon receipt of approvals from customers for services delivered prior to March 31, 2020 and / or collections against those. • We have verified the ageing of unbilled receivables recognised to evaluate their reasonableness. • With respect to the impact of possible disruption from the pandemic relating to COVID-19, we held discussions with business heads. We also verified correspondences with customers approving employees to work from home and, where applicable, waiver of the contractual penalties relating to service levels.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Corporate Governance report and Management Discussion & Analysis Report, but does

AUDITORS' REPORT

not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report, Corporate Governance report and Management Discussion & Analysis Report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information, when it becomes available and, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report, Corporate Governance report and Management Discussion & Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for

expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branch to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of business activities included in the standalone financial statements of which we are the independent auditors. For the business activities included in the standalone financial statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial information of a branch included in the standalone financial statements of the Company whose financial information reflect total assets of Rs. 92,596.64 lakhs as at March 31, 2020 and total revenue of Rs. 88,440.02 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial information of this branch has been audited by the branch auditors whose reports has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch, is based solely on the report of such branch auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors on the separate financial information of the branch, referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company and so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and with the returns received from the branch not visited by us.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
Partner
(Membership No.60408)
UDIN:20060408AAAAABV5090

Place : Bengaluru

Date : July 31, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph “g” under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hinduja Global Solutions Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of HINDUJA GLOBAL SOLUTIONS LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company's branch.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors of branch located in Philippines, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors on internal financial controls system over financial reporting of the branch referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on, "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a branch located in Philippines, is based on the corresponding reports of the branch auditors.

Our opinion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
Partner
(Membership No.60408)
UDIN: 20060408AAAABV5090

Place : Bengaluru

Date : July 31, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Hinduja Global Solutions Limited of even date)

- (i) In respect of the company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / Assignment cum conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of building that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company is in the business of rendering services, and consequently, does not hold any physical inventory. Therefore, the provisions of Clause 3(ii) of the said Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the said Order is not applicable to the company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the said Order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except for the below mentioned Provident fund dues payable:
- | Name of Statute | Nature of Dues | Period to which the Amount Relates | Amount Involved (₹ in Lakhs) | Amount Unpaid (₹ in Lakhs) | Reason for non payment |
|---|----------------|------------------------------------|------------------------------|----------------------------|--|
| Employees Provident Funds & Miscellaneous Provision Act, 1952 | Provident Fund | April 2019 to August 2019 | 55.12 | 55.12 | Employee Aadhaar number is not available |
- There are no dues of Income-tax, Sales tax, Service tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added tax as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the said Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the said Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Vikas Bagaria
Partner
(Membership No. 060408)
UDIN: 20060408AAAAABV5090

Place : Bengaluru
Date : July 31, 2020

STANDALONE BALANCE SHEET

(All amounts are in Rupees Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	21,074.21	27,615.40
b) Right to use asset	3	63,057.55	-
c) Capital work-in-progress	2	2.00	5.02
d) intangible assets	4a	3,786.03	4,378.97
e) Goodwill	4b	2,504.26	2,504.26
f) Financial Assets			
i) Investments	5a	39,358.11	39,300.91
ii) Loans	6	30,147.00	27,712.52
iii) Other financial assets	7	4,336.16	5,149.00
g) Deferred tax assets (net)	36	8,058.73	462.47
h) Income tax assets (net)	8a	7,194.17	5,511.37
i) Other non-current assets	9	2,091.00	5,084.90
Total non-current assets		181,609.22	117,724.82
Current assets			
a) Financial Assets			
i) Investments	5b	554.29	1,032.38
ii) Trade receivables	10	79,842.53	82,736.87
iii) Cash and cash equivalents	11a	8,502.34	5,554.56
iv) Bank balances other than (iii) above	11b	174.09	175.10
v) Loans	12	34,000.00	-
vi) Other financial assets	13	1,313.28	2,490.10
b) Other Current assets	14	4,502.50	4,900.05
Total current assets		128,889.03	96,889.06
Total assets		310,498.25	214,613.88
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	15	2,086.59	2,083.89
b) Other equity		166,125.13	155,492.53
Total equity		168,211.72	157,576.42
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	16a	11,305.12	13,856.26
ii) Lease liabilities	17a	59,567.90	793.76
iii) Non current Other financial liabilities	18	3,677.82	-
b) Provisions	19	12,317.43	7,556.07
Total non-current liabilities		86,868.27	22,206.09
Current liabilities			
a) Financial liabilities			
i) Borrowings	16b	8,420.77	2,803.51
ii) Lease liabilities	17b	7,757.30	191.89
iii) Trade payables	20	14,858.03	13,761.94
iv) Other financial liabilities	21	16,486.38	12,014.30
b) Provisions	22	3,217.95	2,826.54
c) Current tax liabilities (net)	8b	1,714.68	315.66
d) Other current liabilities	23	2,963.15	2,917.53
Total current liabilities		55,418.26	34,831.37
Total liabilities		142,286.53	57,037.46
Total equity and liabilities		310,498.25	214,613.88

See accompanying notes to the financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria

Partner

Membership No.060408

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

Place : Mumbai

Srinivas Palakodeti

Chief Financial Officer

Place : Bengaluru

Date : July 31, 2020

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Bengaluru

Mahadevan. S

Company Secretary

Place : Bengaluru

Place : Bengaluru
Date : July 31, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in Rupees Lakhs, except per share data)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations			
I Revenue from	24	214,218.95	185,013.76
II Other income	25	8,607.55	4,183.23
III Total income (I+II)		222,826.50	189,196.99
IV Expenses			
a) Employee benefit expenses	26	137,905.24	115,491.82
b) Finance costs	27	5,781.03	1,073.34
c) Depreciation and amortization expenses	28	17,672.19	7,882.34
d) Other Expenses	29	30,666.40	35,561.29
Total expenses		192,024.86	160,008.79
V Profit before tax		30,801.64	29,188.20
VI Income tax expense			
a) Current tax	35	10,316.49	4,329.76
b) Deferred tax (credit) / charge	35	(2,144.85)	2,043.05
c) Tax relating to prior years	35	(385.30)	128.30
Total tax expense		7,786.34	6,501.11
VII Profit for the year from continuing operations		23,015.30	22,687.09
Discontinued Operations			
(a) Profit before tax from discontinued operations	44	3,189.16	470.37
(b) Tax expense of discontinued operations	44	1,031.98	108.82
VIII Profit after tax from discontinued operations [(a)-(b)]		2,157.18	361.55
IX Profit for the period [VII+IX]		25,172.48	23,048.64
X Other comprehensive income			
A Items that will not be reclassified to statement of profit and loss			
a) Remeasurements of defined benefit plans			
- Continuing Operations		(882.04)	(2,577.56)
- Discontinued operations		(36.72)	(5.66)
b) Income tax on above item		210.02	290.50
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		(708.74)	(2,292.72)
B Items that may be reclassified to statement of profit or loss			
a) Effective Portion of designated portion of hedging instruments in a cash flow hedge		(8,294.51)	1,676.58
b) Income tax on above item		2,966.25	(423.68)
c) Net change in fair value of hedges of net investment in foreign operations		3,324.01	638.65
d) Exchange differences in translating the financial statements of foreign operation		(393.72)	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		(2,397.97)	1,891.55
XI Other comprehensive income for the year, net of tax [A + B]		(3,106.71)	(401.17)
XII Total comprehensive income for the year (both continuing and discontinued operations)		22,065.77	22,647.47
XIII Earning per equity share (both continuing and discontinued operations) [equity share par value share ₹ 10/- each]			
Basic	32	120.72	110.68
Diluted	32	120.66	110.52
Earning per equity share (continuing operations) [Per equity share value ₹ 10/- each]			
Basic		110.38	108.94
Diluted		110.32	108.78
Earning per equity share (discontinued operations) [Per equity share par value ₹ 10/- each]			
Basic		10.34	1.74
Diluted		10.34	1.74

See accompanying notes to the financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria

Partner

Membership No.060408

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

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Place : Bengaluru

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Partha DeSarkar

Executive Director

DIN: 00761144

Place : Bengaluru

Mahadevan. S

Company Secretary

Place : Bengaluru

Place : Bengaluru
Date : July 31, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts are in Rupees Lakhs)

A. Equity Share Capital

Particulars	Notes	Amount
Balance as at April 1, 2018		2,080.02
Changes in equity share capital during the year	15	3.87
Balance as at March 31, 2019		2,083.89
Changes in equity share capital during the year	15	2.70
Balance as at March 31, 2020		2,086.59

B. Other Equity

	Reserves and Surplus						Other comprehensive income					Total
	Capital reserve	Capital reserve on merger-Refer note 1(a)	Securities premium reserve	General reserve	Retained Earnings	Share application money pending allotment	Employee stock options outstanding	Foreign currency translation reserve	Cash flow hedging reserve account	Other items of Other comprehensive income		
As at April 1, 2018	1,437.95	(1,341.15)	944.03	53,897.61	83,940.79	-	89.38	(2,148.92)	33.92	(1,693.75)	135,159.86	
Profit for the year	-	-	-	-	23,048.64	-	-	-	-	-	23,048.64	
Total Other Comprehensive Income	-	-	-	-	-	-	-	638.65	1,252.90	(2,292.72)	(401.17)	
Total	1,437.95	(1,341.15)	944.03	53,897.61	106,989.43	-	89.38	(1,510.27)	1,286.82	(3,986.47)	157,807.33	
Transaction with owners in their capacity as owners:												
Additions/ Adjustment during the year	-	-	-	-	-	-	-	-	-	-	-	
Employee stock options (Refer note 30)	-	-	186.91	-	-	21.63	(12.34)	-	-	-	196.20	
Dividends paid (including dividend tax thereon of ₹ 428.15 Lakhs) (Refer note 38B)	-	-	-	-	(2,511.00)	-	-	-	-	-	(2,511.00)	
As at March 31, 2019	1,437.95	(1,341.15)	1,130.94	53,897.61	104,478.43	21.63	77.04	(1,510.27)	1,286.82	(3,986.47)	155,492.53	
Effect of change in accounting policy for initial application of Ind AS 116	-	-	-	-	(5,857.45)	-	-	-	-	-	(5,857.45)	
As at April 1, 2019	1,437.95	(1,341.15)	1,130.94	53,897.61	98,620.98	21.63	77.04	(1,510.27)	1,286.82	(3,986.47)	149,635.08	
Profit for the year	-	-	-	-	25,172.48	-	-	-	-	-	25,172.48	
Total Other Comprehensive Income	-	-	-	-	-	-	-	2,930.29	(5,328.26)	(708.74)	(3,106.71)	
Total	1,437.95	(1,341.15)	1,130.94	53,897.61	123,793.46	21.63	77.04	1,420.02	(4,041.44)	(4,695.21)	171,700.85	
Transaction with owners in their capacity as owners:												
Additions/ Adjustment during the year	-	-	-	-	-	(21.63)	(20.57)	-	-	-	(42.20)	
Employee stock options (Refer note 30)	-	-	124.87	-	-	-	-	-	-	-	124.87	
Dividends paid (including dividend tax thereon of Rs. 964.92 Lakhs) (Refer note 38B)	-	-	-	-	(5,658.39)	-	-	-	-	-	(5,658.39)	
As at March 31, 2020	1,437.95	(1,341.15)	1,255.81	53,897.61	118,135.07	-	56.47	1,420.02	(4,041.44)	(4,695.21)	166,125.13	

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts are in Rupees Lakhs)

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges

Particulars'	As at	
	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	1,921.44	244.87
Changes in fair value of effective portion of derivatives	(4,689.18)	(1,048.56)
Net (gain)/loss reclassified to statement of profit and loss on occurrence of hedged transactions	(3,605.32)	2,725.13
Balance as at the end of the year	(6,373.06)	1,921.44
Deferred tax thereon	2,331.62	(634.62)
Balance as at the end of the year, net of deferred tax	(4,041.44)	1,286.82

Nature and purpose of reserves

Capital Reserve

Capital reserve amounting to Rs. 38.83 lakhs and Rs.1,399.12 lakhs was created upon acquisition of business of Mphasis limited & Msource India private limited and merger of HGS International Services Private Limited with HGS Business services Private Limited respectively . The reserve has restriction for use.

Capital Reserve on Merger

Capital reserve amounting to Rs. (1,341.15) lakhs was created upon merger of HGS International Services Private Limited with Hinduja Global Solutions Limited effective from 01.04.2017 . The reserve has restriction for use.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilized in accordance with the provisions of the Act.

Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale, as described within note 38. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges.

To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to statement of profit and loss when the hedged item affects profit and loss.

Employee stock options outstanding

The Employee stock options outstanding account is used to recognize the grant date fair value of options issued to employees under Hinduja Global Solutions Employee stock option plan.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency i.e. indian rupee (INR) are recognized directly in other comprehensive income and accumulated in Foreign currency translation reserve.

STANDALONE CASH FLOW STATEMENT

(All amounts are in Rupees Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
Profit before tax		
- Continuing operations	30,801.64	29,188.20
- Discontinued operations	3,189.16	470.37
Profit before tax	33,990.80	29,658.57
Adjustments for:		
Depreciation and amortization expenses	21,543.28	9,725.62
Employee share-based payment expense	(20.58)	(12.34)
Allowance for bad and doubtful debts/ advances	152.76	-
Loss/ (Gain) on disposal of property, plant and equipment and Write-off	(38.67)	52.17
Liabilities/ Provision no longer required written-back	(0.91)	(5.85)
Unwinding of discount on security deposits	(1,879.02)	(263.43)
Gain on sale of domestic business	(965.78)	-
Interest income classified as investing cash flows	(1,745.22)	(1,339.57)
Gain on termination of leases	(2,592.86)	-
Finance costs	6,672.45	1,155.61
Bad debts	117.95	117.61
Net exchange differences	(3,213.42)	2,045.70
Amortization of rent expense and others	-	417.54
Change in operating assets and liabilities:		
(Increase) in trade receivables	5,009.11	(9,877.62)
(Increase) in other financial assets	1,875.47	(1,033.15)
Decrease/ (Increase) in other non-current assets	40.53	578.48
(Increase) in other current assets	396.64	(692.86)
Increase in trade payables	473.39	1,119.38
Increase in other financial liabilities	(2,145.45)	1,577.42
Increase in provisions	4,578.95	810.57
Increase in other liabilities	180.89	(211.53)
Cash generated from operations	62,430.31	33,822.32
Income taxes paid	(10,996.17)	(5,011.39)
Net cash inflow from operating activities	51,434.14	28,810.93
Cash flows from investing activities		
Proceeds from sale of business	3,591.74	-
Payment for acquisition of business	-	(24.74)
Payments for property, plant and equipment	(6,489.79)	(8,109.36)
Payments for purchase of investments	(1,913.18)	(1,654.56)
Proceeds from sale of investments	2,334.07	1,319.72
Proceeds from sale of property, plant and equipment	492.38	270.70
Payments incidental to sale of domestic business	(288.00)	-
Dividends received	-	187.99
Loans given	(34,000.00)	(28,526.63)
Interest received	1,738.46	1,119.34
Net cash outflow from investing activities	(34,534.32)	(35,417.54)

STANDALONE CASH FLOW STATEMENT

(All amounts are in Rupees Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Proceeds from issues of shares	105.95	212.41
Proceeds from borrowings	22,336.57	14,055.00
Repayment of borrowings	(16,719.31)	(11,222.46)
Repayment of Lease liability	(8,015.56)	(131.13)
Interest paid	(6,663.11)	(1,014.56)
Dividends paid (including dividend tax)	(5,659.40)	(2,510.90)
Net cash outflow from financing activities	(14,614.86)	(611.64)
Net increase/ (decrease) in cash and cash equivalents	2,284.96	(7,218.25)
Cash and cash equivalents at the beginning of the financial year (Refer note 11(a))	5,554.56	13,351.41
Effects of exchange rate changes on cash and cash equivalents	662.82	(578.60)
Cash and cash equivalents at end of the year	8,502.34	5,554.56
Balances per statement of cash flows (Refer note 11 (a))	8,502.34	5,554.56

Reconciliation of borrowings as disclosed in financing activities and Note 16 & 17 to the financial statements:

Particular	As at April 1, 2019	Cash Changes		Non Cash Changes				As at March 31, 2020
		Repayment	Proceeds	IND AS 116 Adoption	Additions to Lease liabilities	Exchange difference/ FCTR	Others*	
External commercial borrowings	13,906.35	(50.09)	-	-	-	1,217.24	59.43	15,132.93
Bank Overdrafts	2,803.51	(16,719.31)	22,336.57	-	-	-	-	8,420.77
Lease liabilities	985.65	(8,015.56)	-	61,911.31	12,673.52	(229.73)	-	67,325.19

Particular	As at April 1, 2018	Cash Changes		Non Cash Changes				As at March 31, 2019
		Repayment	Proceeds	Additions to Lease liabilities	Exchange difference/ FCTR	Others*		
External commercial borrowings	-	-	14,055.00	-	(198.74)	50.09	-	13,906.35
Term Loan	336.16	(333.52)	-	-	-	(2.64)	-	-
Bank Overdrafts	13,823.58	(10,888.94)	-	-	-	(131.13)	-	2,803.51
Obligations under finance leases	-	(131.13)	-	1,116.78	-	-	-	985.65

* Other column includes the accrued but not paid interest on borrowings.

See accompanying notes to the financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Firm registration no. 117366W/W-100018

Chartered Accountants

Vikas Bagaria

Partner

Membership No.060408

Place : Bengaluru
Date : July 31, 2020

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

Place : Mumbai

Srinivas Palakodeti

Chief Financial Officer

Place : Bengaluru

Date : July 31, 2020

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Bengaluru

Mahadevan. S

Company Secretary

Place : Bengaluru

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 Background

Hinduja Global Solutions Limited ("HGS" or the "Company") is a public limited Company, domiciled in India and it's incorporated under the provisions of The Companies Act 1956 and is engaged in Business Process Management. HGS with its subsidiaries offer voice and non-voice based services such as contact center solutions and back office transaction processing across America, Canada, Europe, Asia and Middle East. Its ordinary shares (equity) are listed on the two registered stock exchanges in India i.e National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The address of its registered office is 171, Hinduja House, Dr. Annie Besant Road, Worli, Mumbai 400018.

These financial statements were authorized to be approved by the Board of Directors on July 31, 2020.

a Basis of preparation of standalone financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under sec. 133 of Companies Act 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

(i) Basis of Measurement

The financial statements have been prepared on a historical cost convention and accrual basis, except for the following:

- a. certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
 - b. defined benefit plans - plan assets/ liability measured at fair value; and
 - c. Share-based payments
- b Use of estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is provided below.

i) Estimation of provisions & contingent liabilities

The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer note 19 and 31).

ii) Estimation of defined benefit plans

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 37 for the details of the assumptions used in estimating the defined benefit obligation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

iii) Useful lives of property, plant and equipment

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

iv) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

v) Deferred taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

vi) Impairment testing

Investments in subsidiaries are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

Goodwill is required to be assessed for impairment for every Cash Generating Unit (CGU) on a yearly basis. For the purposes of the same, the group calculates the recoverable amount of the CGU. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of the CGU is based on discounted cash flow model. The cash flows are derived from the budget for the future years. The recoverable amount is sensitive to the discount rates used in discounted cash flow model as well as growth rate used for estimate and involves use of significant estimates and assumptions including turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer note 34 for the details of assumptions used in estimation of impairment of goodwill.

vii) Revenue

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the Company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Group estimates the unbilled receivables (representing revenues recognized for services rendered between the last billing date and the balance sheet date), discounts, incentives, performance bonuses, etc. based on estimates of performance obligations satisfied and historical experience.

viii) Leases

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- i) Identifying whether a contract (or part of a contract) includes a lease;
- ii) Determining whether it is reasonably certain that an extension or termination option will be exercised;
- iii) Classification of lease agreements (when the entity is a lessor);
- iv) Determination of whether variable payments are in-substance fixed;
- v) Establishing whether there are multiple leases in an arrangement;
- vi) Determining the stand-alone selling prices of lease and non-lease components.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- i) Estimation of the lease term;
- ii) Determination of the appropriate rate to discount the lease payments;
- iii) Assessment of whether a right-of-use asset is impaired."

ix) Other estimates

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Accounting of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction.

Estimation uncertainty relating to COVID-19 outbreak:

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. There were no changes to our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting during the period covered in this Financial statements.

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

c Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Indian Rupees (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

(iii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities are translated at the closing rate at the date of balance sheet.
- b. income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- c. All resulting exchange differences are recognized in other comprehensive income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

d Revenue from contracts with customers

The Company earns revenue primarily from business process management services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Nature of the services

The Company derives its revenue from business process management (BPM) which includes services like back office processing, contact center and HRO solutions. The Company provides BPM services, which typically involve claim processing and call center services for healthcare industry, call center services for telecom industry, which it administers and manages those services for its client on an ongoing basis. The Company combines technology powered services in automation, analytics and digital with domain expertise focusing on back office processing, contract centers and HRO solutions to deliver transformational impact to clients.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A. Time and Material contracts

Revenue from time and material transactions and outcome based contracts are recognised as the services are performed.

B. Fixed price contracts

In respect of fixed-price contracts, where performance obligations are satisfied over a period of time, revenue is recognised by means of percentage of completion method. Under this method, revenue is recognised by applying the percentage of completion on the transaction price.

C. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs and amortised over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

controls the services before it is transferred to the customer. If Company controls the services before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

New Accounting standards adopted by the Company:

Ind AS 115 – Revenue from Contract with Customers

On April 1, 2018, the Company adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115, did not have any material impact on the statement of profit and loss for the year ended March 31, 2019. On adoption of IND AS 115, the Company has reclassified its unbilled receivables from Financial assets to trade receivables.

A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the Company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company presents such receivables as part of trade receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised which includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

C. Reconciliation of revenue recognised

The Company recognises Volume discounts, Penalties and Incentives against each transaction price as per the terms of the contract with the customer, the disclosures related to the reconciliation of revenue recognised with the transaction price have not been provided as the same is not material to the Company.

e Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and adjustment for unused tax losses.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its branch operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

f Deferred taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and MAT credit entitlements only if it is probable that future taxable amounts will be available to utilize those temporary differences, losses and credits.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in branches where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively.

The Company has thus disclosed the Income Tax Assets/ Liabilities on a net basis to the extent that the same is settled within the same tax jurisdictions, which is in line with Accounting statements prescribed under Ind AS 12- Income Taxes.

g Leases

As a lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and furnitures. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within 'other expenses' in statement of profit and loss.

Lease Liabilities:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- i) fixed lease payments (including in-substance fixed payments), less any lease incentives;
- ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- iii) the amount expected to be payable by the lessee under residual value guarantees;
- iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability payments are classified as cash used in financing activities in the Statement of cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever.

- i) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-Use Assets:

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. Prepaid lease payments (including the difference between nominal amount of the deposit and the fair value) are also included in the initial carrying amount of the right of use asset.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

The Company incurs obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Company has assessed that such restoration costs are negligible and hence no provision under Ind-AS 37 has been recognised.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit and loss.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Lease policy applicable before April 1, 2019

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

h Impairment

i) Impairment of non financial assets

Long-lived assets such as Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ii) Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on trade receivables including unbilled receivables measured at amortized cost. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on historical credit loss experience adjusted for forward looking information.

i Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with bank in current accounts, Exchange Earners Foreign Currency (EEFC) Accounts, other short-term, highly liquid deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

j Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

k Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- a. those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- b. those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Currently there are no debt instruments measured at Fair value.

(iii) Derecognition of financial assets

A financial asset is derecognized only when

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(iv) Income recognition

Interest income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Dividends:

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

I Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in statement of profit and loss, within other income.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to statement of profit and loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit and loss at the time of the hedge relationship rebalancing.

m Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

n Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Particulars	Useful life
Leasehold building and Leasehold improvement	Over the period of Lease
Building	Upto 60 years
Office Equipment	Upto 7 years
Computers	Upto 6 years
Furniture and Fixtures	Upto 10 years
Vehicles	8 years

Assets costing less than Rs. 5000 each are depreciated fully in the year of acquisition.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets given to employees on contractual obligations are depreciated to the extent of 50% of the value over a period of four years, at the end of which these assets are transferred to the respective employees at the residual book value.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of profit and loss within other income/ expenses.

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

The cost of property, plant and equipment not available for use before such date are disclosed under capital work-in-progress.

o Intangible assets

Costs associated with maintaining software programs are recognized as an expense as incurred.

Costs associated with acquisition of intangible assets is capitalized when it is controlled by entity and probable future economic benefits are expected to flow.

Amortization methods and periods

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	Useful life
Computer software	3 to 6 years

Gains or Losses arising from the retirement or disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognized as income or expense in the Statement of Profit and Loss.

p Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

q Borrowings

Borrowings are initially recognised at Fair value, net of transaction cost incurred. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss.

r Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

s Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

- The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.
- The Company has introduced a deferred performance incentive plan during the year which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The benefits are discounted using the market yields at the end of the reporting period.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity and Pension;
- defined contribution plans such as provident fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Defined benefit obligation

The liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to government bond that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit and loss as past service cost."

Defined contribution plans

"The Company pays contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Superannuation Fund applicable to certain employees, constitutes an insured benefit, which is classified as a defined contribution plan as the Company makes contributions to an insurance Company and has no further obligation beyond making the payment to the insurance Company.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Hinduja Global Solutions Limited Employee Stock Option Plan.

Employee options

The fair value of options granted under the Hinduja Global Solutions Limited Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

t Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

u Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

v Earnings per share

(i) Basic earning per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earning per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w Non-current assets (or disposal groups) held for sale and discontinued operations

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain is recognized for any subsequent increase in the fair value less cost to sell of any asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-Current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the asset of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operations is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of a single co-ordinated plan to dispose of such line of business or area of business of operations, or is a subsidiary acquired exclusively with a view of resale. The result of discontinued operations are presented separately in the statement of profit and loss.

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of carrying amount or fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

x Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company has been identified as CODM which also consists of key managerial personnel of the Company. Refer note 46 for segment information.

y Subsequent events

The Company evaluates all transactions and events that occur after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

z Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III unless otherwise stated.

za New Accounting standards adopted by the Company during year

i) Impact on adoption of Ind AS 116

General impact of application of Ind AS 116 Leases

In the current year, the Company, for the first time, has applied Ind AS 116 Leases as issued by the Ministry of corporate affairs(MCA) in March 2019.

Ind AS 116 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

In preparation for the first-time application of Ind AS 116, the Company has carried out an implementation project. The project has shown that the new definition in Ind AS 116 will not change significantly the scope of contracts that meet the definition of a lease for the Company.

Details of these new requirements are described in note 43. The impact of the adoption of Ind AS 116 on the Company's financial statements is described below.

The date of initial application of Ind AS 116 for the Company is April 1, 2019.

The Company has applied the new requirements to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. Accordingly, comparatives for the year ended March 31, 2019 has not been retrospectively adjusted.

The Company has made use of the following practical expedients available in its transition to Ind AS 116: -

- a) The Company has not reassessed whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019,
- b) The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics (i.e. similar assets in similar economic environment). Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application,
- c) The Company excluded the initial direct costs from measurement of the ROU asset,
- d) The Company does not recognize ROU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

Impact on Lessee Accounting

Former operating leases

Ind AS 116 changes how the Company accounts for leases previously classified as operating leases under Ind AS 17, which were off-balance-sheet.

Applying Ind AS 116, for all leases (except as noted below), the Company:

- a) recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments; with the right of use asset adjusted by the amount of any prepaid or accrued lease payments.
- b) recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss; and
- c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under Ind AS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expense on a straight-line basis

Under Ind AS 116, right-of-use assets are tested for impairment in accordance with Ind AS 36 Impairment of Assets.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognise a lease expense at actuals. This expense is presented within other expenses in the statement of profit and loss.

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the Balance sheet on April 1, 2019 is 8.59%.

ii) Appendix C to Ind AS 12 - Uncertainty over income tax treatments

The Ministry of Corporate Affairs issued Appendix C to Ind AS 12 which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the financial statements of the Company.

iii) Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on financial statements of the Company.

iv) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on financial statements of the Company.

zb Recent Indian Accounting Standards (Ind AS)

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

i) Amendment to Ind AS 103 - Business combination

The Ministry of Corporate Affairs ("MCA") issued amendments to Ind AS 103, 'Business Combinations', in connection with clarification of business definition, which help in determining whether an acquisition made is of a business or a group of assets. The amendment added a test that makes it easier to conclude that a Company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The adoption of amendment to Ind AS 103 is applicable to new acquisition on a prospective basis and hence did not have any impact on the financial statements of the Company.

ii) Amendment to Ind AS 109, Ind AS 39 and Ind AS 107 – Interest Rate Benchmark Reform

The Ministry of Corporate Affairs ("MCA") issued some of its requirements for hedge accounting. The amendments provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties. The adoption of amendment to Ind AS 109, Ind AS 39 and Ind AS 107 did not have any significant material impact on the financial statements of the Company.

iii) Amendment to Ind AS 1 and Ind AS 8 – Definition of Material

The Ministry of Corporate Affairs ("MCA") issued Amendment to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors to update a new definition

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

of material in Ind AS 1. The amendments clarify the definition of “material” and how it should be applied by including in the definition guidance that until now has featured elsewhere in Indian Accounting Standards (Ind AS). The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the The Ministry of Corporate Affairs (“MCA”) amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term ‘material’ to ensure consistency. The adoption of the amendment to Ind AS 1 and Ind AS 8 did not have any material impact on its evaluation of materiality in relation to the financial statements.

iv) **Amendment to Ind AS 116 – Leases**

The Ministry of Corporate Affairs (“MCA”) issued amendments to Ind AS 116, “Leases”, provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before 30 June 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. The adoption of the amendment to Ind AS 116 did not have any material impact on its evaluation of materiality in relation to the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

2 Property, Plant and Equipment

	Land	Building	Leasehold Building	Furniture and Fixtures	Vehicle	Office Equipment	Computers	Leasehold Improvements	Total	Capital work-in-progress
Year ended March 31, 2019										
Gross carrying amount	100.97	2,476.51	2,053.02	3,038.80	365.79	2,072.58	15,725.83	12,804.49	38,637.99	67.58
Additions	-	-	-	300.18	39.74	319.79	4,546.94	1,782.24	6,988.89	-
Effect of Foreign currency differences	-	-	-	116.38	18.63	136.42	871.12	535.34	1,677.89	-
Disposals/Transfer	-	-	-	(328.64)	(41.56)	(347.73)	(684.80)	(1,313.00)	(2,715.73)	(62.56)
Gross carrying amount	100.97	2,476.51	2,053.02	3,126.72	382.60	2,181.06	20,459.09	13,809.07	44,589.04	5.02
Accumulated depreciation	-	139.11	118.17	879.08	137.68	405.74	5,164.96	3,501.44	10,346.18	-
Depreciation (Refer note 28)	-	46.37	39.39	521.46	104.58	530.29	3,891.29	2,682.57	7,815.95	-
Effect of Foreign currency differences	-	-	-	57.21	9.14	103.40	604.95	440.42	1,215.12	-
Disposals/Transfer	-	-	-	(245.58)	(41.23)	(305.38)	(598.41)	(1,213.01)	(2,403.61)	-
Accumulated depreciation	-	185.48	157.56	1,212.17	210.17	734.05	9,062.79	5,411.42	16,973.64	-
Net carrying amount as at March 31, 2019	100.97	2,291.03	1,895.46	1,914.55	172.43	1,447.01	11,396.30	8,397.65	27,615.40	5.02
Year ended March 31, 2020										
Gross carrying amount	100.97	2,476.51	2,053.02	3,126.72	382.60	2,181.06	20,459.09	13,809.07	44,589.04	5.02
Additions	-	-	-	148.89	20.79	189.04	4,053.53	482.67	4,894.92	-
Assets Reclassed due to Adoption of Ind AS 116 (Refer Note 3)	-	-	(2,053.02)	-	-	-	-	(1,116.78)	(3,169.80)	-
Effect of Foreign currency differences	-	-	-	254.64	43.82	264.85	2,597.38	1,190.01	4,350.70	-
Disposals/Transfer* (Refer Note 44)	-	-	-	(1,530.46)	(72.44)	(2,278.54)	(6,583.96)	(5,389.08)	(15,854.48)	(3.02)
Gross carrying amount	100.97	2,476.51	-	1,999.79	374.77	356.41	20,526.04	8,975.89	34,810.38	2.00
Accumulated depreciation	-	185.48	157.56	1,212.17	210.17	734.05	9,062.79	5,411.42	16,973.64	-
Assets Reclassed due to Adoption of Ind AS 116 (Refer Note 3)	-	-	(157.56)	-	-	-	-	(166.11)	(323.67)	-
Depreciation (Refer note below)	-	46.37	-	487.21	86.67	554.56	4,213.99	2,115.76	7,504.56	-
Effect of Foreign currency differences	-	-	-	145.74	31.96	200.45	1,863.82	1,118.94	3,360.91	-
Disposals/Transfer* (Refer Note 44)	-	-	-	(1,376.63)	(63.01)	(2,120.39)	(5,092.56)	(5,126.68)	(13,779.27)	-
Accumulated depreciation	-	231.85	-	468.49	265.79	(631.33)	10,048.04	3,353.33	13,736.17	-
Net carrying amount as at March 31, 2020	100.97	2,244.66	-	1,531.30	108.98	987.74	10,478.00	5,622.56	21,074.21	2.00

* Refer note 44 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation

	Year ended March 31, 2020
Continuing Operations (Refer note 28)	6,271.33
Discontinued Operations (Refer note 44)	1,233.22
Total	7,504.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

3. Right to use asset

	Category of Right of use assets			Total
	Building	Furniture & Fixtures	Office equipments	
Year ended March 31, 2020				
Assets recognised upon application of Ind AS 116	56,263.43	203.52	-	56,466.95
Assets reclassified upon adoption of Ind AS 116	2,053.02	-	1,116.78	3,169.80
Total carrying amount as at April 1, 2019	58,316.45	203.52	1,116.78	59,636.75
Additions	25,136.47	-	612.43	25,748.90
Disposals* (Refer Note 44)	(19,897.55)	-	-	(19,897.55)
Effect of Foreign currency differences	3,307.18	-	1.91	3,309.09
Gross carrying amount	66,862.55	203.52	1,731.12	68,797.19
Accumulated depreciation				
Amounts reclassified upon adoption of Ind AS 116	157.56	-	166.11	323.67
Depreciation (Refer note below)	11,826.59	61.16	342.49	12,230.24
Disposals* (Refer Note 44)	(6,869.51)	-	-	(6,869.51)
Lease modification	(131.70)	-	-	(131.70)
Effect of Foreign currency differences	186.79	-	0.15	186.94
Accumulated depreciation	5,169.73	61.16	508.75	5,739.64
Net carrying amount as at March 31, 2020	61,692.82	142.36	1,222.37	63,057.55

* Refer note 44 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation

	Year ended March 31, 2020
Continuing Operations (Refer note 28)	9,810.31
Discontinued Operations (Refer note 44)	2,419.93
Total	12,230.24

4a Intangible Assets

	Computer Software
Year ended March 31, 2019	
Gross carrying amount	8,463.87
Effect of Foreign currency differences	321.68
Additions	2,157.40
Disposals	(75.63)
Gross Carrying amount	10,867.32
Opening accumulated amortisation	4,417.57
Amortisation (Refer note 28)	1,909.67
Effect of Foreign currency differences	225.91
Disposals	(64.80)
Accumulated depreciation	6,488.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Computer Software
Net carrying amount as at March 31, 2019	4,378.97
<u>Year ended March 31, 2020</u>	
Gross carrying amount	10,867.32
Effect of Foreign currency differences	1,098.82
Additions	1,851.61
Disposals* (Refer Note 44)	(2,245.22)
Gross Carrying amount	11,572.53
Accumulated amortisation	6,488.35
Amortisation (Refer note below)	1,808.50
Effect of Foreign currency differences	791.59
Disposals* (Refer Note 44)	(1,301.94)
Accumulated depreciation	7,786.50
Net carrying amount as at March 31, 2020	3,786.03

* Refer note 40 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Amortisation

	Year ended March 31, 2020
Continuing Operations (Refer note 28)	1,590.55
Discontinued Operations (Refer Note 44)	217.95
Total	1,808.50

4b Goodwill

	Total
Year ended March 31, 2019	
Gross carrying amount	2,493.11
Additions	11.15
Gross carrying amount	2,504.26
Net carrying amount as at March 31, 2019	2,504.26
Year ended March 31, 2020	
Gross carrying amount	2,504.26
Additions	-
Gross carrying amount	2,504.26
Net carrying amount as at March 31, 2020	2,504.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

5 Investments

	Face Value Per Share/ Unit	As at March 31, 2020		As at March 31, 2019	
		Quantity No's	Amount (₹ in Lakhs)	Quantity No's	Amount (₹ in Lakhs)
5a Non-current Investments					
(i) Investment in equity Instruments (fully paid up): In a Wholly owned subsidiary (Unquoted and Non-Trade): HGS International, Mauritius	USD 1	32,514,228	38,880.28	32,514,228	38,880.28
(ii) Others (Unquoted and Non-Trade): Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]			477.83		420.63
Aggregate Value of Unquoted Investments			39,358.11		39,300.91
5b Current Investment					
Others (Unquoted and Non-Trade): Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]			554.29		1,032.38
Aggregate Value of quoted Investments and market value thereof			554.29		1,032.38
Total non-current investments					
Aggregate value of quoted Investments and market value thereof			-		-
Aggregate value of unquoted investments			39,912.40		40,333.29
Aggregate amount of impairment in the value of investments			-		-

Terms of Treasury bill

Sr. No.	Name of Bank	ISIN	Maturity Date	Rate of Interest	Face Value in' PHP as on March 31,2020 (PHP. in Lakhs)	Face Value in' INR as on March 31,2020 (₹ in Lakhs)
1	CTBC Bank (Philippines) Corp.	PIBL1219E195	May 13, 2020	3.20%	320.22	474.27
2	Union Bank of the Philippines	PIID0321F092	June 13, 2021	4.88%	322.60	477.80
3	Union Bank of the Philippines	PIID0321F092	June 13, 2021	4.88%	0.02	0.03
4	Union Bank of the Philippines	PHY6972HDQ66	May 6, 2020	3.28%	54.02	80.02
	Total				696.86	1,032.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

6 Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loans to related parties (Refer note 39)*	30,147.00	27,712.52
Total	30,147.00	27,712.52

* This represents non-current portion of loan to a wholly owned subsidiary to meet its business requirement and to fund organic growth of its Overseas subsidiaries and future acquisitions. Accordingly the loan is considered as net investment in foreign operations. The loan is unsecured and bearing interest rate of US\$ 3 month LIBOR+115 basis points. There is no fixed repayment tenure for the loan and the borrower has an option to repay the loan at any time along with accrued interest.

7 Other financial asset

	As at March 31, 2020	As at March 31, 2019
Security Deposit	4,226.05	4,985.54
Deposits with bank for Margin Money*	110.11	104.51
Derivatives - Foreign Exchange Forward Contracts (Refer note 42)	-	58.95
Total	4,336.16	5,149.00

* Under lien with bank towards guarantees issued by them on behalf of the company.

8a Income Tax Assets (net)

	As at March 31, 2020	As at March 31, 2019
Advance tax and tax deducted at source	42,868.27	37,894.40
Less: Provision for Income tax	35,674.10	32,383.03
Total	7,194.17	5,511.37

8b Current tax liabilities

	As at March 31, 2020	As at March 31, 2019
Provision for Income tax	10,523.26	4,023.07
Less: Advance tax & tax deducted at source	8,808.58	3,707.41
Total	1,714.68	315.66

9 Other non current assets

	As at March 31, 2020	As at March 31, 2019
Capital advances	55.08	19.36
Receivable from related party (Refer note 39)	1,868.99	1,868.99
Balances with government authorities	133.13	78.57
Prepaid expenses	32.57	127.66
Deferred rent	-	2,989.09
Others	1.23	1.23
Total	2,091.00	5,084.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

10 Trade receivable

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	63,376.35	62,268.36
Unbilled Receivables	16,466.18	20,468.51
Considered doubtful	182.50	76.57
Less: Allowance for doubtful debts	(182.50)	(76.57)
Total	79,842.53	82,736.87
Current portion	79,842.53	82,736.87
Non-current portion	-	-

11a Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
in current accounts	3,988.70	2,933.89
in Exchange Earners Foreign Currency Account (EEFC) accounts	211.51	104.65
In Demand deposits	3,956.43	1,407.64
In Cash credit accounts	316.64	1,097.46
Cheques on hand	19.19	5.17
Cash on hand	9.87	5.75
Total	8,502.34	5,554.56

Balances with banks in current account and EEFC account does not carry any interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

11b Bank balances other than Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Earmarked Balances with Banks:		
Unpaid dividend	33.83	34.84
Unpaid bonus	1.82	1.82
In Demand deposits #	138.44	138.44
Total	174.09	175.10

Under Lien with Banks towards Guarantees/ Letter of credit issued by them on behalf of the Company and towards margin against forward contracts.

12 Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loan to related parties (Refer note 39)	34,000.00	-
Total	34,000.00	-

The loans were given to respective parties as disclosed in Note 39 for working capital finance. The transactions were made on normal commercial terms and conditions and at the market rate. The average interest rate on the loans during the year was 8.30% to 8.40% (March 31, 2019 – Nil)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

13 Other current financial asset

	As at March 31, 2020	As at March 31, 2019
Security deposits	422.00	164.92
Interest accrued on deposits/ loans	48.87	42.11
Derivatives - Foreign Exchange Forward Contracts (Refer note42)	334.54	2,275.55
Other receivables	507.87	7.52
Total	1,313.28	2,490.10

14 Other Current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good, unless otherwise stated		
Balances with Government Authorities	921.50	336.78
Advance to employees		
Good	468.81	355.12
Doubtful	9.43	7.68
	478.24	362.80
Less: Provision for doubtful Advances	(9.43)	(7.68)
	468.81	355.12
Advance to Vendors	729.08	1,146.81
Prepaid Expenses	2,380.83	3,058.17
Others	2.28	3.17
Total	4,502.50	4,900.05

There were no loans due by directors or other officers of the company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

15 Equity Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised:		
27,500,000 (March 31, 2019: 27,500,000) Equity shares of ₹ 10/- each fully paid	2,750.00	2,750.00
150,000 (March 31, 2019:150,000) 1% Participatory redeemable Non cumulative preference shares of ₹ 10/- each	15.00	15.00
Total	2,765.00	2,765.00
Issued, subscribed and Paid up :		
20,865,933 (March 31, 2019: 20,838,944) Equity shares of ₹ 10/- each fully paid	2,086.59	2,083.89
Total	2,086.59	2,083.89

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(i) **Movements in equity share capital**

	No. of Shares
As at April 1, 2018	20,800,238
Shares issued to Employees under Employee Stock Option Plan (Refer note 30)	38,706
As at March 31, 2019	20,838,944
Shares issued to Employees under Employee Stock Option Plan (Refer note 30)	26,989
As at March 31, 2020	20,865,933

Terms/ rights attached to equity shares

Equity Shares: The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend which are approved by Board of Directors in Board Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Number of shares reserved for issue under the Employee Stock Option Plan (Refer Note 31)

	As at March 31, 2020	As at March 31, 2019
i) Hinduja Global Solutions Limited Employee Stock Option Plan 2008	37,500	42,456
ii) Hinduja Global Solutions Limited Employee Stock Option Plan 2011	21,530	43,375

(ii) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% held	Number of Shares	% held
Hinduja Group Limited	5,818,541	27.89%	5,748,541	27.59%
Hinduja Group Limited jointly with Hinduja Realty Ventures Limited	3,354,490	16.08%	3,354,490	16.10%
Amas Mauritius Limited	2,761,427	13.23%	2,761,427	13.25%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

16 Borrowings

	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2020	As at March 31, 2019
A. Borrowings - non-current					
Secured					
Foreign Currency Term Loans from Banks ^d	February, 2024	Quarterly instalments w. e.f. May,2020	3 Months LIBOR+1.05%	15,132.92	13,906.35
Total borrowings				15,132.92	13,906.35
Less: Current maturities of long-term debt (included in note 21)				3,768.37	-
Less: Interest accrued (included in note 21)				59.43	50.09
Non-current borrowings				11,305.12	13,856.26
B. Borrowings - current					
Secured					
Bank Overdrafts ^f	Payable on demand	Payable on demand	7.75% and 8.45%	8,420.77	2,803.51
Total Current borrowings				8,420.77	2,803.51
Less: Interest accrued				-	-
Current borrowings				8,420.77	2,803.51
Aggregate Secured loans				23,494.26	16,659.77
Aggregate Unsecured loans				-	-

Secured borrowings and assets pledged as security

- * Secured by Exclusive charge on Land & Building and Movable fixed Assets. Secured by first charge on entire moveable fixed assets of the Company (both present and future).
- ** Secured by first paripassu charge on entire current assets both present and future of the company and second paripassu charge on entire moveable fixed assets both present and future of the company (excluding vehicles/ equipment acquired under hire purchase).

17 Lease Liabilities

	As at March 31, 2020	As at March 31, 2019
a. Lease Liabilities - non-current		
Total lease liabilities	67,325.20	985.65
Less: Current Maturities of Lease Obligations	(7,757.30)	(191.89)
	59,567.90	793.76
b. Lease Liabilities - current	7,757.30	191.89
	7,757.30	191.89
Total	67,325.20	985.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

18 Other non-current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Derivatives - Foreign Exchange Forward Contracts(Refer Note 42)	3,677.82	-
Total	3,677.82	-

19 Non current - provisions

	As at March 31, 2020	As at March 31, 2019
Pension (Refer note 37)	8,203.75	5,811.78
Gratuity (Refer note 37)	2,292.46	1,679.88
Deferred compensation Payable	1,821.22	-
Others	-	64.41
Total	12,317.43	7,556.07

20 Trade Payables

	As at March 31, 2020	As at March 31, 2019
i. Total outstanding dues of micro enterprises and small enterprises (Refer Note 45)	534.25	316.15
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	14,323.78	13,445.79
Total	14,858.03	13,761.94

21 Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term Debt	3,768.37	-
Interest accrued	59.43	50.09
Capital creditors	2,249.82	1,960.38
Unpaid dividend [Refer note (a) below]	33.83	34.84
Derivatives - foreign exchange forward contracts (Refer note 42)	3,029.78	413.05
Employee benefits payable	7,345.15	9,555.94
Total	16,486.38	12,014.30

- a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year-end.

22 Current - provisions

	As at March 31, 2020	As at March 31, 2019
Compensated Absences(Refer Note 37)	3,217.95	2,826.54
Total	3,217.95	2,826.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

23 Other Current liabilities

	As at March 31, 2020	As at March 31, 2019
Advances from customers	98.62	54.36
Statutory dues payable	2,533.42	2,416.76
Other payables	331.11	446.41
Total	2,963.15	2,917.53

24 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services		
Business Process Management	214,218.95	185,013.76
Total	214,218.95	185,013.76

In response to the COVID-19 pandemic, the Company initiated business continuity program in March 2020 and facilitated its employees to work remotely/work from home where customers have consented. Our business continuity program and the design of our processes allow for remote execution with accessibility to secure data. The Company has evaluated the impact of COVID – 19 resulting from penalties relating to breaches of service level agreements and concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Country / region	Year ended March 31, 2020	Year ended March 31, 2019
USA and Canada	183,355.63	164,340.46
India	47,992.78	53,083.98
UK	2,246.31	430.47
Rest of the world	5,510.40	1,785.77
Total revenue from contracts with customers*	239,105.12	219,640.68

Contract type/ nature of contract	Year ended March 31, 2020	Year ended March 31, 2019
Business Process Management	239,105.12	219,640.68

Category of customer	Year ended March 31, 2020	Year ended March 31, 2019
Health Insurance, Pharma & Healthcare	164,975.36	144,783.89
Telecom and Technology	13,265.94	23,425.16
Consumer Electronics, Products, Services and Retail	9,767.07	11,299.19
Banking and Financial Services	36,862.05	30,871.15
Media	1,109.97	1,099.37
Others	13,124.73	8,161.92
Total revenue from contracts with customers*	239,105.12	219,640.68

* Above revenues are including both Continuing and Discontinued operations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

25 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on financial assets carried at amortised cost	1,745.16	1,150.85
Unwinding of discount on security deposits	588.41	193.92
Changes in fair value of investment measured at fair value through profit and loss account	-	187.99
Foreign exchange gain (net)	3,979.90	2,640.39
Income from sale of export scrips	885.71	-
Income from discontinuation of leases	1,029.08	-
Profit on Sale of property, plant and equipment	37.72	8.34
Provision for Doubtful debts no longer required written-back	0.91	-
Miscellaneous income	340.66	1.74
Total	8,607.55	4,183.23

26 Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	127,006.57	107,811.83
Contribution to provident and other funds	9,045.32	6,106.61
Gratuity expense (unfunded) (Refer note 37)	62.12	51.34
Staff welfare expenses	1,791.23	1,522.04
Total	137,905.24	115,491.82

27 Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on		
Term loans from bank	512.51	224.20
Cash credit and others	62.17	645.06
Interest expense on leases	5,108.90	
Other borrowing costs	97.45	204.08
Total	5,781.03	1,073.34

28 Depreciation and Amortisation expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment (Refer Note 2)	6,271.33	6,253.73
Depreciation on Right of use assets (Refer Note 3)	9,810.31	-
Amortization of intangibles (Refer Note 4)	1,590.55	1,628.61
Total	17,672.19	7,882.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

29 Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	3,660.89	3,611.69
Rent	1,256.79	10,823.80
Repairs and maintenance - leased Premises	2,646.29	1,878.12
Repairs and maintenance - others	3,524.77	3,551.58
Insurance	306.36	219.66
Rates and taxes	569.87	501.28
Directors' sitting fees and Commission(Refer note 39)	431.00	394.00
Payment to the auditors:		
- As auditors [including payment to Branch Auditors Rs. 28 lakhs (Previous Year Rs. 34.54 lakhs)]	162.50	151.08
- for other services [including payment to Branch Auditors (Previous Year Rs. Nil)]	-	3.75
- for reimbursement of expenses	13.74	6.98
Connectivity cost	1,962.39	1,714.83
Advertisement and business promotion	269.93	348.90
Communication	969.28	772.65
Travelling, conveyance and car hire charges	2,108.08	1,773.29
Legal and professional	5,749.59	5,132.34
Training and recruitment	1,352.99	479.33
Commission	6.83	14.50
Donations	9.73	4.80
Software expenses	1,087.48	629.28
Corporate social responsibility (Refer note 29a)	435.00	435.59
Bad debts/ advances written off	113.95	96.19
Allowance for bad and doubtful debts/ advances	98.33	11.06
Security expenses	2,298.48	1,956.57
Fixed Assets Written Off	13.37	8.60
Miscellaneous expenses	1,618.76	1,041.42
Total	30,666.40	35,561.29

29a Corporate Social Responsibility (CSR)

	March 31, 2020	March 31, 2019
Gross amount required to be spent by the Company during the year	435.00	429.65
Total	435.00	429.65

	In Cash*	In Cash*
Amount spent during the year	March 31, 2020	March 31, 2019
a. On various activities (Refer note below)	435.00	435.59
Total	435.00	435.59

* There are no amounts yet to be paid in cash

Note:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Vendor Name	Nature of CSR Activity	Amount spent during the year
Magic Bus India Foundation	Child education	7,900,000.00
The Akshaya Patra Foundation	Nutrition & Education	6,600,000.00
National Health and Education Society	Contribution to Disaster Relief(Covid-19) & Healthcare service	29,000,000.00
Total		43,500,000.00

30 Share Based Payments

a) Employee Option Plan

Details of the employee stock option plan are as given below.

Particulars	ESOP 2008	ESOP 2011
Details of the plan	The Shareholders of the Company at their Annual General Meeting held on September 27, 2008 granted approval to the HTMT Global Solutions Limited Employees Stock Option Plan 2008 (now Hinduja Global Solutions Limited Employees Stock Option Plan 2008) ("ESOP 2008"). Subsequently, the Nomination and Remuneration Committee (formerly Compensation Committee) approved the terms and conditions relating to ESOP 2008 and options were granted on July 31, 2009.	The Shareholders of the Company at their Annual General Meeting held on August 1, 2011 granted approval to the Hinduja Global Solutions Limited Employees Stock Option Plan 2011 ("ESOP 2011"). Subsequently, the Nomination and Remuneration Committee (formerly Compensation Committee) approved the terms and conditions relating to ESOP 2011 and options were granted on November 11, 2011.
Maximum grant of options	The maximum number of options that could be issued under ESOP 2008 is 205,380 (being 1% of the outstanding equity shares of the Company as at April 1, 2009).	The maximum number of options that could be issued under ESOP 2011 is 308,838 (being 1.5% of outstanding paid up capital of the Company as at April 1, 2011).
Vesting period	Options to vest over a period of three years from the date of their grant as under: - 1/6th of the options granted will vest on the first anniversary of the grant date. - 1/3rd of the options granted will vest on the second anniversary of the grant date. - 1/2 of the options granted will vest on the third anniversary of the grant date.	Options to vest over a period of three years from the date of their grant as under: - 1/6th of the options granted will vest at the end of one year from the grant date. - 1/6th of the options granted will vest at the end of 18 months from the grant date. - 1/6th of the options granted will vest at the end of 24 months from the grant date. - 1/4th of the options granted will vest at the end of 30 months from the grant date. - 1/4th of the options granted will vest at the end of 36 months from the grant date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	ESOP 2008	ESOP 2011
Exercise period	Options vested with an employee will be exercisable prior to completion of the 48th month from the date of their grant by subscribing to the number of equity shares in the ratio of one equity share for every option. In the event of cessation of employment due to death, resignation or otherwise the options may lapse or be exercisable in the manner specifically provided for in the Scheme.	Options vested with an employee will be exercisable prior to completion of the 24th month from the date of vesting of options by subscribing to the number of equity shares in the ratio of one equity share for every option. In the event of cessation of employment due to death, resignation or otherwise the options may lapse or be exercisable in the manner specifically provided for in the Scheme.
Exercise price	Rs.570 - Rs 641.63 per share	Rs.570 - Rs 641.63 per share
Grant/re-grant options	The Nomination and Remuneration Committee (formerly Compensation Committee) approved the request of lapsed options which were subsequently granted to specific employees. The term for vesting and exercise period are as stated above.	The Nomination and Remuneration Committee (formerly Compensation Committee) approved the request of lapsed options which were subsequently granted to specific employees. The term for vesting and exercise period are as stated above.

The exercise price per share is determined on the basis of closing price at the National Stock Exchange of India Limited immediately preceding the grant date. The fair value of stock option has been calculated using Black-Scholes Option Pricing Model.

Set out below is a summary of options granted under the plan:

ESOP 2008

	As at March 31, 2020		As at March 31, 2019	
	Average exercise Price Per share (INR)	Number of Options	Average exercise Price Per share (INR)	Number of Options
Opening balance	514.97	42,456	544.28	72,103
Granted during the year	592.05	30,000	-	-
Lapsed during the year	514.97	(15,648)	546.15	(17,285)
Exercised during the year	595.49	(19,308)	759.86	(12,362)
Closing Balance		37,500		42,456
Vested and exercisable		5,300		33,623

ESOP 2011

Particulars	As at March 31, 2020		As at March 31, 2019	
	Average exercise Price Per share (INR)	Number of Options	Average exercise Price Per share (INR)	Number of Options
Opening balance	544.28	43,376	523.01	85,832
Granted during the year	-	-	-	-
Lapsed during the year	544.28	(14,165)	553.14	(16,112)
Exercised during the year	601.79	(7,681)	736.87	(26,344)
Closing balance		21,530		43,376
Vested and exercisable		19,880		34,398

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 - ESOP 2008: Rs. 598.99 and ESOP 2011: Rs. 587.72. (Year ended March 31, 2019 - ESOP 2008: Rs.784.67 and ESOP 2011: Rs.778.53)

Shares options outstanding at the end of the year have the following expiry dates and exercise prices

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Grant Date	ESOP Plan	Expiry Date	Exercise Price (INR)	Share options (March 31, 2020)	Share options (March 31, 2019)
November 6, 2015	ESOP 2008	November 6, 2019	471.00	-	31,440
April 21, 2017	ESOP 2008	April 21, 2021	565.05	5,000	6,016
August 10, 2017	ESOP 2008	August 10, 2021	508.85	2,500	5,000
August 5, 2019	ESOP 2008	August 5, 2023	592.05	30,000	-
July 2, 2014	ESOP 2011	July 2, 2019	527.25	-	4,683
September 29, 2014	ESOP 2011	September 29, 2019	649.25	-	875
November 6, 2015	ESOP 2011	November 6, 2020	471.00	11,080	23,593
April 21, 2017	ESOP 2011	April 21, 2022	565.05	7,950	9,225
August 10, 2017	ESOP 2011	August 10, 2022	508.85	2,500	5,000

Stock options outstanding at the end of the year have the following Remaining life (In months)

Grant Date	ESOP Plan	Expiry Date	Remaining life (months)	Share options (March 31, 2020)	Remaining life (months)	Share options (March 31, 2019)
November 6, 2015	ESOP 2008	November 6, 2019	-	-	7	31,440
April 21, 2017	ESOP 2008	April 21, 2021	12	5,000	24	6,016
August 10, 2017	ESOP 2008	August 10, 2021	16	2,500	28	5,000
August 5, 2019	ESOP 2008	August 5, 2023	39	30,000	-	-
July 2, 2014	ESOP 2011	July 2, 2019	-	-	3	4,683
September 29, 2014	ESOP 2011	September 29, 2019	-	-	6	875
November 6, 2015	ESOP 2011	November 6, 2020	7	11,080	19	23,593
April 21, 2017	ESOP 2011	April 21, 2022	24	7,950	36	9,225
August 10, 2017	ESOP 2011	August 10, 2022	28	2,500	40	5,000

(i) Fair value of options granted

The fair value of options granted during the year ended March 31, 2020 is Rs.177.36 (March 31, 2019 Nil). The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

ESOP Scheme	Grant date	Fair value
ESOP 2008	August 5, 2019	177.36

The model inputs for options granted during the year ended 31 March 2020 included:

		ESOP 2008 scheme		ESOP 2011 scheme	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
i)	Exercise price	592.05	-	-	-
ii)	Grant date	August 5, 2019	-	-	-
iii)	Expiry date	August 5, 2023	-	-	-
iv)	Share price at grant date	595.00	-	-	-
v)	Expected price volatility	33.09%	-	-	-
vi)	Expected dividend yield	0.38%	-	-	-
vii)	Risk free interest rate	6.01%	-	-	-

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(b) (Income)/Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in statement of profit and loss as part of employee benefit (income)/expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee share based payment expenses	15.85	3.65
Employee share based payment Income	(36.43)	(15.99)
Total	(20.58)	(12.34)

31 Contingent liabilities

a) Contingent liabilities

A) Claims against the Company not acknowledged as debts:

Particulars	March 31, 2020	March 31, 2019
Income Tax demand		
(i) From AY 2007-08 (Refer note 1 below)	10,455.55	10,747.54
(ii) Prior AY 2007-08 (Refer note 2 below)	17,406.45	17,281.94

Notes:

- The Company has received Income Tax Demand orders for the A.Y. (Assessment Year) 2007-08 to A.Y. 2010-11. In all the above assessment orders, demand has been raised mainly on account of denial of section 10A benefit as per the Income Tax Act 1961 in respect of profit earned by the Company's undertaking in Software Technology Parks. The aggregate demand is Rs. 10,455.55 Lakhs including interest Rs.3,269.57 Lakhs.

NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited) also received income tax demand pertaining to IT/ ITES business in respect of the same issue for the A.Y. 2002-03 to A.Y 2007-08. These amounts are reimbursable by the Company pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business into the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. The aggregate demand is Rs. 17,406.46 Lakhs including interest Rs.9,620.60 Lakhs.

Against the above demands, the respective companies have made various appeals before the relevant Appellate Authority; NXTDIGITAL Limited received a favourable order from Honourable High Court of Bombay in respect of year 2005-06 dated July 26, 2017. The Honourable Supreme Court of India has admitted a Special Leave Petition (SLP) in respect of the same matter for the years A.Y. 2002-03 to A.Y 2005-06. Future cash outflow in respect of above, if any, is determinable only on receipt of judgements/ decisions pending with relevant authorities and accordingly the amounts are disclosed as a contingent liability. In view of legal advice obtained the Management considers these disallowances as not tenable against us, and therefore no provision for this tax contingency has been recognised.

- NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited) has received income tax demand pertaining to IT/ ITES business aggregating Rs.7,144.66 Lakhs in respect of period prior to October 1, 2006 which is reimbursable by the Company pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business into the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In this regard, the Company had paid Rs. 5,550 Lakhs to Hinduja Ventures Limited to discharge part payment of disputed income tax dues pertaining to IT/ITES business. Out of this amount, the Company has received refund of Rs.Nil Lakhs including interest of Rs. Nil Lakhs (March 31, 2019- Rs. 1,940.00 Lakhs including interest of Rs. 490.00 Lakhs) and the net outstanding amount as at March 31, 2020 of Rs.1,868.99 (March 31, 2019 of Rs. 1,868.99 Lakhs) is included in "Receivable from related party - Note 9".

b) Capital and other commitments:

- Estimated Amount of Contracts (net of capital advances) remaining to be executed on capital account Rs.1,486.59 Lakhs.(As at March 31, 2019: Rs. 234.90 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(ii) The Company has issued an Undertaking to the following step-down subsidiaries to provide need based financial support and is committed, if needed, to continue such support to meet the ongoing obligations.

- i. HGS Mena FZ LLC
- ii. C-Cubed B.V
- iii. Hinduja Global Solutions Europe Limited
- iv. HGS St. Lucia
- v. HGS Colibrium LLC.
- vi. Hinduja Global Solutions Inc
- vii. C-Cubed N.V
- viii. HGS Canada Inc
- ix. HGS Axis Point Health LLC
- x. HGS International

There has been no payments during the year against these undertakings.

32 Earnings per share (EPS)

Particulars	March 31, 2020	March 31, 2019
<u>Numerator for Basic and Diluted EPS</u>		
Profit attributable to the equity holders of the company (Rs. in Lakhs) (both continuing and discontinued operations)	25,172.48	23,048.64
Weighted average number of equity shares (Nos.) for calculating basic earnings per share	20,851,475	20,824,000
Number of equity shares (Nos.) for calculating diluted earnings per share	20,862,990	20,855,349
Basic EPS attributable to the equity holders of the Company (₹)	120.72	110.68
Diluted EPS attributable to the equity holders of the Company (₹)	120.66	110.52
Nominal value of shares (₹)	10.00	10.00
Number of shares considered for basic EPS (Nos.)	20,851,475	20,824,000
Add: Shares deemed to be issued for no consideration in respect of Employee stock options (Nos.)	11,515	31,349
Number of shares considered for diluted EPS (Nos.)	20,862,990	20,855,349

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

33 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2020	As at March 31, 2019
Current		
Financial assets		
First Charge		
Current assets	128,889.03	96,889.06
Total current assets pledged as security	128,889.03	96,889.06
Non-Current		
Exclusive charge		
Land	100.97	100.97
Building	2,244.66	2,291.03
Second Charge		
Movable fixed assets (Refer note below)	13,106.02	14,930.29
Total non-current assets pledged as security	15,451.65	17,322.29
Total assets pledged as security	144,340.68	114,211.35

Particulars	Net carrying amount as at March 31, 2020	Net carrying amount as at March 31, 2019
Furniture and Fixtures (Refer note 2)	1,531.30	1,914.55
Vehicles (Refer note 2)	108.98	172.43
Office Equipment (Refer note 2)	987.74	1,447.01
Computers (Refer note 2)	10,478.00	11,396.30
Total	13,106.02	14,930.29

34 Impairment

Goodwill movement:

	As at March 31, 2020	As at March 31, 2019
Opening Balance	2,504.26	2,493.11
Add: Additions (Refer note 44(II))	-	11.15
Closing Balance	2,504.26	2,504.26

Goodwill is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company Cash Generating Unit ("CGU") or groups of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The Company has single reportable segment and as at March 31, 2020 goodwill has been allocated to the single reportable segment:

	As at March 31, 2020	As at March 31, 2019
Business process management	2,504.26	2,504.26
Total	2,504.26	2,504.26

The recoverable amount was computed based on value-in-use calculations. Value-in-use is calculated using the pre-tax discount rates.

The future cash flows are based on the medium and long-term business plans approved by the Management and reviewed by the board of directors.

The average range of key assumptions used for the calculations are as follows: (in %)

	As at March 31, 2020	As at March 31, 2019
Growth rate	9% to 10%	9% to 10%
Pre-tax discount rate	16.13% to 17.00%	16.13% to 17.00%
Terminal growth rate	3.00%	3.00%

Based on the above no impairment was identified as of March 31, 2020 and March 31, 2019 as the recoverable value of CGU's exceeded their carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU would fall below their respective carrying amounts.

Reasonable sensitivities in the key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to COVID 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

35 Tax expense

a) Tax expense

	Year ended March 31, 2020			Year ended March 31, 2019		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Current tax						
Current tax on profits for the year	10,316.49	387.48	10,703.97	4,295.56	108.82	4,404.38
Adjustments for current tax of prior periods	(385.30)	-	(385.30)	128.30	-	128.30
Total current tax expense	9,931.19	387.48	10,318.67	4,423.86	108.82	4,532.68
Deferred Tax						
Decrease/ (Increase) in Deferred tax assets	(2,144.85)	644.50	(1,500.35)	(272.46)	-	(272.46)
Mat credit (Avalied)/ Utilized	-	-	-	2,349.71	-	2,349.71
Total Deferred tax expense/(benefit)	(2,144.85)	644.50	(1,500.35)	2,077.25	-	2,077.25
Income tax expense	7,786.34	1,031.98	8,818.32	6,501.11	108.82	6,609.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

	Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total
Profit before income tax expense	30,801.64	3,189.16	33,990.80
Tax at Indian tax rate of 34.94% (2018-19 - 34.94%)	10,762.09	1,114.29	11,876.38
Tax effects of amounts which are not deductible (taxable) in calculating taxable income			
- Expenses towards corporate social responsibility disallowed	75.99	-	75.99
- Sec 10AA exemption	(3,656.66)	-	(3,656.66)
Difference in overseas tax rate for foreign operation	1,953.40	-	1,953.40
Tax credit on profit earned by foreign operation	(938.89)	-	(938.89)
Adjustments for current tax of prior periods	(385.30)	-	(385.30)
Difference in tax rate for profit on sale of Operations	-	(82.31)	(82.31)
Other adjustments	(24.29)	-	(24.29)
Income Tax expense	7,786.34	1,031.98	8,818.32
Effective tax rate	25%	32%	26%

	Year ended March 31, 2019		
	Continuing Operations	Discontinued Operations	Total
Profit before income tax expense	29,188.20	470.37	29,658.57
Tax at Indian tax rate of 34.94% (2018-19 - 34.94%)	10,198.36	164.35	10,362.70
Tax effects of amounts which are not deductible (taxable) in calculating taxable income			
- Expenses towards corporate social responsibility disallowed	75.95	-	75.95
- Sec 10AA exemption	(2,288.93)	-	(2,288.93)
Difference in overseas tax rate for foreign operation	1,407.08	-	1,407.08
Tax credit on profit earned by foreign operation	(3,306.06)	-	(3,306.06)
Adjustments for current tax of prior periods	128.30	-	128.30
Difference in tax rate for profit on sale of Operations	-	-	-
Other adjustments	286.41	(55.52)	230.89
Income Tax expense	6,501.11	108.83	6,609.93
Effective tax rate	22%	23%	22%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

36 Deferred tax liabilities & Deferred tax assets

The balance comprises temporary differences attributable to:

The components of deferred tax assets/ liabilities are follows

	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment including Intangible assets	-	449.21
Derivatives	-	634.63
Total Deferred tax liabilities	-	1,083.84
Property, plant and equipment including Intangible assets	173.83	-
Provision for compensated absences	697.74	579.21
Provision for gratuity/ pension	1,160.18	846.54
Right to use of asset & Lease liability	2,786.34	-
Deferred performance Incentive	546.53	-
Derivatives	2,331.62	-
Allowances for doubtful debts	63.77	26.75
Others	298.72	93.81
Total Deferred Tax Assets	8,058.73	1,546.31
Net deferred tax assets/ (liabilities)	8,058.73	462.47

Movement in Deferred Tax Assets/ Liabilities

	April 1, 2019	Credit/ (Charge) in the statement of profit and loss	Credit/ (Charge) in the Retained earnings	Credit/ (Charge) in the other comprehensive income	Effect of Foreign currency differences	March 31, 2020
Property, Plant & Equipment including Intangible assets	(449.21)	623.04	-	-	-	173.83
Provision for Gratuity / Pension	846.54	103.62	-	210.02	-	1,160.18
Provision for Compensated Absences	579.21	118.53	-	-	-	697.74
Derivatives	(634.63)	-	-	2,966.25	-	2,331.62
Allowance for Doubtful Debts	26.75	37.02	-	-	-	63.77
Operating leases	-	(109.02)	2,895.36	-	-	2,786.34
Deferred performance Incentive	-	546.53	-	-	-	546.53
Others	93.81	180.65	-	-	24.26	298.72
Total	462.47	1,500.37	2,895.36	3,176.27	24.26	8,058.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	April 1, 2018	Credit/ (Charge) in the statement of profit and loss	Credit/ (Charge) in the other comprehensive income	Effect of Foreign currency differences	March 31, 2019
Property, Plant & Equipment	(1,013.15)	563.94	-	-	(449.21)
Provision for Gratuity / Pension	704.23	(146.72)	290.50	(1.47)	846.54
Provision for Compensated Absences	728.47	(149.26)	-	-	579.21
Derivatives	(210.95)	-	(423.68)	-	(634.63)
Allowance for Doubtful Debts	28.80	(2.05)	-	-	26.75
Mat Credit Entitlement	2,343.16	(2,343.16)	-	-	-
Others	89.02	-	-	4.79	93.81
Total	2,669.58	(2,077.25)	(133.18)	3.32	462.47

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

37 Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leaves of employees.

The amount of the provision of Rs. 3,217.95 Lakhs (As at March 31, 2019: Rs. Rs.2,826.54 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leaves to make payments in lieu of accrued leaves within the next 12 months.

(ii) Deferred Performance Incentive

The Board of Directors at their meeting held on March 28, 2019 approved an employee defined benefit plan called as "Deferred Payment Incentive" Plan (DPI 2019). The Scheme is applicable to eligible employees of the Company and its subsidiaries and in the manner specifically provided for in the Scheme. Payments under this defined employee benefit plan is linked to the Company achieving certain profit targets by the financial year ending March 31, 2022. Pursuant to the plan, the Company has made a provision of Rs.1,821.22 lakhs for the year ended March 31, 2020.

(iii) Post-employment obligations

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC) as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority Regulations. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

b) Pension benefits

The Branch has a non-contributory and actuarially computed defined benefit pension plan covering substantially all of its employees. The benefits are based on years of service and compensation at the date of retirement, as defined in the policies of the Company.

The plan provides lump sum benefits upon retirement, death, total and permanent disability and separation from service from completion of at least five years of service. Under the provisions of the retirement plan, the normal retirement age is 60 with at least 5 years of credited service, but early retirement is possible

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

for employees reaching age 50 with at least 10 years of credited service. Normal retirement is entitled to 1.5 months basic salary per year of service while early retirement with 10 to 15 years' service is entitled to 1 month basic salary per year of service or 1.5 months per year of service if tenure is beyond 15 years. Employees below 50 years old with at least 10 years of service are entitled to the retirement benefit in case of voluntary separation. Ten to 15 years of service is eligible for 50% of monthly basic pay per year of service, 75% for 15 to 20 years, and 100% of monthly basic pay for 20 years tenure or more.

Plan assets are held in trust by a trustee bank, which is governed by local regulations and practice in the Philippines.

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in debt securities. The Branch believes that debt securities offer the best returns over long term with an acceptable level of risk.

(iv) Defined contribution plans

The Company has classified various benefits provided to employees as under:

- a) Provident Fund
- b) Superannuation Fund
- c) State Defined Contribution Plans:
 - i. Employers' Contribution to Employee's State Insurance
- d) Other Statutory contribution schemes

Amounts recognized in the Statement of Profit and Loss pertaining to the contribution to the above contribution plans are as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Employers' Contribution to Provident Fund *	4,606.92	2,873.13
Employers' Contribution to Superannuation Fund*	3.83	4.00
Employers' Contribution to Employee's State Insurance*	1,270.83	1,633.31
Employer's Contribution to Other Employees Contribution Scheme*	2,951.01	2,050.46
Total	8,832.59	6,560.91

*Included in Contribution to Provident and Other Funds (Refer Note 26)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(v) Define Benefit plan

Balance sheet amounts - Pension plan

The amounts recognised in the balance sheet and the movements in the net defined benefit are as follows:

	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2018	3,266.39	(650.35)	2,616.04
Current service cost	358.81	-	358.81
Net Interest cost	274.29	(54.61)	219.68
Total amount recognized in statement of profit and loss	633.10	(54.61)	578.49
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
- Actuarial (gain)/loss arising from change in demographic assumptions	226.42	-	226.42
- Actuarial (gain)/loss arising from change in financial assumptions	1,407.55	32.20	1,439.75
- Actuarial (gain)/loss arising from experience adjustments	841.32	-	841.32
Total amount recognized in other comprehensive income	2,475.29	32.20	2,507.49
Exchange differences (recognised in Foreign Currency translation reserve)	172.41	(35.54)	136.87
Contributions:			
- Employers	-	(27.11)	(27.11)
- Plan participants	-	-	-
Payments from plan:			
Benefit payments	(149.59)	149.59	-
Settlements	-	-	-
March 31, 2019	6,397.60	(585.82)	5,811.78

	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2019	6,397.60	(585.82)	5,811.78
Current service cost	872.82	-	872.82
Net Interest cost	393.03	(35.99)	357.04
Total amount recognized in statement of profit and loss	1,265.85	(35.99)	1,229.86
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
- Actuarial (gain)/loss arising from change in demographic assumptions	-	-	-
- Actuarial (gain)/loss arising from change in financial assumptions	313.79	5.02	318.81
- Actuarial (gain)/loss arising from experience adjustments	51.17	-	51.17
Total amount recognized in other comprehensive income	364.96	5.02	369.98

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
Exchange differences (recognised in Foreign Currency translation reserve)	872.91	(56.42)	816.49
Contributions:			
- Employers	-	(24.36)	(24.36)
- Plan participants	-	-	-
Payments from plan:			
Benefit payments	(326.25)	326.25	-
Settlements	-	-	-
March 31, 2020	8,575.07	(371.32)	8,203.75

Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	Funded	Unfunded	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2018	2,257.59	258.79	2,516.38	(1,316.00)	1,200.38
Current Service Cost	358.77	33.41	392.18	-	392.18
Interest expense/(income)	156.45	17.93	174.38	(91.20)	83.18
Total Amount recognised in profit or loss	515.22	51.34	566.56	(91.20)	475.36
Remeasurements					
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	51.55	51.55
-Actuarial (gain)/loss from change in demographic assumptions	-	-	-	-	-
-Actuarial (gain)/loss from change in financial assumptions	39.79	4.33	44.12	-	44.12
- Actuarial (gain)/loss arising from experience adjustments	(59.91)	39.96	(19.95)	-	(19.95)
Total amount recognised in other comprehensive income	(20.12)	44.29	24.17	51.55	75.72
Employer contributions	-	-	-	(45.01)	(45.01)
Benefit payments	(264.77)	(26.57)	(291.34)	264.77	(26.57)
March 31, 2019	2,487.92	327.85	2,815.77	(1,135.89)	1,679.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Funded	Unfunded	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
April 1, 2019	2,487.92	327.85	2,815.77	(1,135.89)	1,679.88
Current Service Cost	345.85	40.29	386.14	-	386.14
Interest expense/(income)	155.53	21.84	177.37	(73.15)	104.22
Total Amount recognized in Statement of profit and loss	501.38	62.13	563.51	(73.15)	490.36
Remeasurements					
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	60.47	60.47
- Actuarial (gain)/loss arising from change in demographic assumptions	71.23	-	71.23	-	71.23
- Actuarial (gain)/loss arising from change in financial assumptions	187.06	29.71	216.77	-	216.77
- Actuarial (gain)/loss arising from Experience adjustments	158.44	41.88	200.32	-	200.32
Total amount recognized in other comprehensive income	416.73	71.59	488.32	60.47	548.79
Employer contributions	-	(38.76)	(38.76)	(42.87)	(81.63)
Liability Transferred Out/ Divestments	(344.94)	-	(344.94)	-	(344.94)
Benefit payments	(314.33)	-	(314.33)	314.33	-
March 31, 2020	2,746.76	422.81	3,169.57	(877.11)	2,292.46

The following table shows the breakdown of the defined benefit obligation and plan assets:

	As at March 31, 2020			As at March 31, 2019		
	Gratuity	Pension	Total	Gratuity	Pension	Total
Present Value of Obligation	3,169.57	8,575.07	11,744.64	2,815.77	6,397.60	9,213.37
Fair value of plan assets	(877.11)	(371.32)	(1,248.43)	(1,135.89)	(585.82)	(1,721.71)
Total Liability	2,292.46	8,203.75	10,496.21	1,679.88	5,811.78	7,491.66

(vi) Actuarial assumptions pension and gratuity

The significant actuarial assumptions were as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Pension	Gratuity	Pension
Discount Rate	4.96%	5.21%-5.45%	5.83%	6.66%
Salary growth rate	3.00%	4%-6%	3.50%	4%-6%
Rate of return on Plan assets	6.71%	5.45%	2.85%	6.66%
Mortality rate	1994GAMT	Indian Assured lives Mortality (2006-08) Ultimate	1994GAMT	Indian Assured lives Mortality (2006-08) Ultimate
Rate of Employee turnover	8% to 37% p.a.	For agents 45% p.a. and others 10% to 50% p.a.	8% to 37% p.a.	For agents 80% p.a. and others 10% to 50% p.a.

Assumptions regarding mortality experience are set based on advice from published statistics.

The discount rate is primarily based on the prevailing market yields of government securities for the estimated term of the obligations. The estimates of future salary increases takes into account the inflation, seniority and other relevant factors. Attrition rate considered is the Management estimate based on employee turnover. The expected return on plan assets is based on expectation of the average rate of return expected on investment of the fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(vii) Sensivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on defined benefit obligation

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	1%	1%	(747.83)	(696.54)	783.23	727.73
Salary Growth rate	1%	1%	798.36	744.51	(786.31)	(734.83)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(viii) The major categories of plan assets are as follows

	As at March 31, 2020			As at March 31, 2019		
	Level -1	Level-3	Total	Level -1	Level-3	Total
Pension						
Debt Instruments						
- Government Bonds	77.11	-	77.11	192.06	-	192.06
- Corporate Bonds	206.99	-	206.99	334.90	-	334.90
Cash and cash equivalents	85.33	-	85.33	42.96	-	42.96
Others	-	1.89	1.89	-	15.88	15.88
Gratuity						
Investment funds						
- Insurance Funds (LIC Pension and Group Schemes fund)	-	877.11	877.11	-	1,135.89	1,135.89
Total	369.43	879.00	1,248.43	569.92	1,151.76	1,721.68

(ix) Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.
Changes in bond yields	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Life expectancy	The pension is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets in FY 2019-20 consists of government & corporate bonds and LIC Pension. The plan asset mix is in compliance with the requirements of the respective local regulations.

(x) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 is Rs. 3,284.40 lakhs

The weighted average duration of Gratuity plan obligation is 3 years. The weighted average duration of Pension plan obligation is 15 years. The expected maturity analysis of undiscounted pension and gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020					
Pension plan benefit obligation	1,012.13	602.80	2,267.25	39,152.28	43,034.46
Gratuity plan benefit obligation	359.58	363.54	772.24	2,594.53	4,089.89
Total	1,371.71	966.34	3,039.49	41,746.81	47,124.35
March 31, 2019					
Pension plan benefit obligation	591.96	845.55	1,852.28	5,438.05	8,727.84
Gratuity plan benefit obligation	518.78	291.19	804.91	2,950.69	4,565.57
Total	1,110.74	1,136.74	2,657.19	8,388.74	13,293.41

The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans based on short term expected pay-outs in line with the actuary's recommendations.

38 Capital management

A) Capital Structure

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder's, return capital to shareholder's, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings offset by net of cash and cash equivalents)/Total 'equity' as shown in the balance sheet

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The gearing ratios were as follows:

	As at March 31, 2020	As at March 31, 2019
Total borrowings (Refer Note 16)	23,494.26	16,659.77
Cash and cash equivalents(Refer Note 11 a)	(8,502.34)	(5,554.56)
Net Debt	14,991.92	11,105.21
Total Equity	168,211.72	157,576.42
Net Debt to Equity ratio*	8.91%	7.05%

* Lease liabilities are not included for computing the gearing ratio.

Loan covenants

The Company has complied with financial covenants implied as a part of external borrowing facilities throughout the reporting period.

B) Dividends

	As at March 31, 2020	As at March 31, 2019
(i) Equity shares		
Final dividend for the year ended March 31, 2019 ₹ 2.50 (March 31, 2018 - ₹ 2.50) per fully paid equity share	520.97	520.57
Interim dividend for the year ended March 31, 2020 of ₹ 20 (March 31, 2019 - ₹ 7.50) per fully paid equity share	4,172.34	1,562.28
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended payment of a final dividend of ₹ Nil per fully paid equity share (March 31, 2019 - ₹ 2.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		520.97

39 Related Party Transactions

I) Individual having control with his relatives and associates

Mr. Ashok P. Hinduja

II) Subsidiaries of Hinduja Global Solutions Limited (Includes step-down subsidiaries)

- 1 HGS International
- 2 Hinduja Global Solutions Inc.
- 3 HGS Properties LLC
- 4 HGS Canada Holdings LLC
- 5 HGS Canada Inc.
- 6 HGS EBOS LLC
- 7 HGS (USA) LLC
- 8 HGS Healthcare LLC.
- 9 Affina Company
- 10 Hinduja Global Solutions Mena FZ LLC
- 11 Hinduja Global Solutions Europe Limited
- 12 Hinduja Global Solutions UK Limited
- 13 HGS France, S.A.R.L
- 14 C-Cubed N.V.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- 15 C-Cubed B.V.
- 16 Customer Contact Centre Inc.
- 17 HGS St. Lucia Limited
- 18 Team HGS Limited
- 19 HGS Axis Point Health LLC (Effective from April 3, 2018)
- 20 Falcon Health Solutions Puerto Rico LLC (Effective from April 3, 2018)
- 21 Falcon Health Solutions Puerto Rico Holding LLC (Effective from April 3, 2018)
- 22 HGS Colibrium LLC
- 23 HGS Digital, LLC (Formerly known as Element Solutions LLC) (Effective from April 2, 2018)\

III) Key Management Personnel

Mr. Partha DeSarkar, Manager & Chief Executive Officer (Upto September 3, 2019) and Whole-time Director & Chief Executive Officer (From September 4, 2019)

Non executive directors:

- Mr. Ramkrishan P. Hinduja, Chairman (Upto September 3, 2019)
 Ms. Shanu S.P. Hinduja, Co-chairperson (Upto September 3, 2019)
 Ms. Vinoo S. Hinduja (Upto September 3, 2019)
 Mr. Rajendra P. Chitale (Upto July 2, 2019)
 Mr. Rangan Mohan (Upto July 2, 2019)
 Mr. Pradeep Mukerjee (Upto September 2, 2019)
 Mr. Yashodhan Madhusudan Kale, Chairman* and Non-executive Director
 Mr. Anil Harish
 Ms. Bhumika Batra (From September 4, 2019)
 Mr. Sudhanshu Kumar Tripathi (From September 30, 2019)
 Dr. Ganesh Natarajan (From September 30, 2019)

* Chairman from September 30, 2019

IV) Enterprises where common control exists

- 1 Hinduja Group Limited
- 2 NXTDIGITAL Limited (Formerly known as Hinduja Ventures Limited)
- 3 IndusInd Media and Communication Limited
- 4 National Health and Education Society
- 5 Hinduja Healthcare Limited
- 6 Hinduja Realty Ventures Limited
- 7 UActiv Technology Private Limited (Upto September 3, 2019)
- 8 Cyqurex Systems Private Limited
- 9 Hinduja Foundation
- 10 Trunk Digital Studios LLC (Upto September 3, 2019)
- 11 GOCL Corporation Limited (From September 30, 2019)
- 12 IDL Explosives Limited (From September 30, 2019)
- 13 Hinduja Energy (India) Ltd
- 14 Hinduja National Power Corporation Limited

V) Enterprises where Significant Influence is exercised by Directors

- 1 Finac Services Limited
- 2 Hinduja Bank Switzerland Limited (Upto September 3, 2019)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- 3 Global Talent Track Private Limited (From September 30, 2019)
- 4 5F World Private Limited (From September 30, 2019)
- 5 Skills Alpha Learning Private Limited (From September 30, 2019)
- 6 Vihur Apps Private Limited
- 7 Synergy Global outsourcing LLC (Upto September 3,2019)
- 8 HBI Group Inc (Upto September 3,2019)
- 9 HBI Incorporated NV.(Upto September 3,2019)
- 10 Atlantic International BPO Colombia S.A.S (Upto September 3,2019)
- 11 Atlantic International BPO Cayman Inc (Upto September 3,2019)
- 12 Mesilla Office Solutions LLC (Upto September 3,2019)
- 13 Caytel Contracting Limited (Upto September 3,2019)
- 14 Hinduja Capital Advisors Inc (Upto September 3,2019)
- 15 HF Advisors LLC (Upto September 3,2019)
- 16 Jobs America Inc (Upto September 3,2019)

VI) Relatives of Key Management personnel including directors whether executive or otherwise

Mr. Pabitra DeSarkar (Father)

Rangan Mohan Associates (Firm in which Mr. Rangan Mohan is a Partner) (Upto July 2, 2019)

D M Harish & Co (Firm in which Mr. Anil Harish is a Partner)

Satya A Hinduja

P.K. DeSarkar (Firm in which Mr. Partha DeSarkar is partner)

Corner Stone Ventures Partners Investment Advisers LLP (Firm in which Dr. Ganesh Natarajan is a partner) (From September 30, 2019)

M/s. Crawford Bayley & Co. (Firm in which Ms. Bhumika Batra is a partner) (From September 4, 2019)

5F World (Firm in which Dr. Ganesh Natarajan is a partner)(From September 30, 2019)

VII) The company has transactions with following entities which are not covered under the related party definition under Ind AS 24 Related Party Disclosures, however the same has been disclosed as an additional information:

- 1 Ashok Leyland Limited
- 2 IndusInd Bank Limited
- 3 Gulf Oil Lubricant India Limited
- 4 HBI Group Inc (From September 4,2019)
- 5 HBI Incorporated NV.(From September 4,2019)
- 6 Synergy Global Outsourcing LLC (From September 4,2019)
- 7 Gulf Oil International Limited
- 8 Atlantic International BPO Colombia S.A.S (From September 4,2019)
- 9 Atlantic International BPO Cayman Inc (From September 4,2019)
- 10 Mesilla Office Solutions LLC (From September 4,2019)
- 11 Caytel Contracting Limited (From September 4,2019)
- 12 Hinduja Capital Advisors Inc (From September 4,2019)
- 13 HF Advisors LLC (From September 4,2019)
- 14 Jobs America Inc (From September 4,2019)
- 15 Hinduja Bank Switzerland Limited (From September 4,2019)
- 16 Trunk Digital Studios LLC (From September 4,2019)
- 17 Hinduja Automotive Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The following details pertain to transactions carried out with the related parties in the ordinary course of business at an arm's length and the balances outstanding at the year-end:

	Parties referred to in II above		Parties referred to in III and VI above		Parties referred to in IV and V above		Parties referred to in VII above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Rendering of services								
HGS Healthcare LLC	147,357.68	127,923.92	-	-	-	-	-	-
HGS USA LLC	5,968.98	3,051.68	-	-	-	-	-	-
Hinduja Global Solutions UK Limited	2,243.11	89.30	-	-	-	-	-	-
Hinduja Global Solutions Europe Limited	3.21	3.28	-	-	-	-	-	-
HGS Canada Inc	483.22	547.23	-	-	-	-	-	-
Team HGS Limited	89.91	128.56	-	-	-	-	-	-
HGS EBOS LLC	23,172.47	26,976.81	-	-	-	-	-	-
HGS Mena FZ LLC	317.78	198.68	-	-	-	-	-	-
HGS Axis Point Health LLC	125.96	17.59	-	-	-	-	-	-
HGS Digital, LLC	1,047.65	770.46	-	-	-	-	-	-
HGS Colibrium Inc	359.29	234.65	-	-	-	-	-	-
Falcon Health Solutions Puerto Rico LLC	28.93	-	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	-	-	601.54	663.25
IndusInd Bank Limited	-	-	-	-	-	-	1,489.92	1,152.42
Gulf Oil International Limited	-	-	-	-	-	-	10.29	3.65
Gulf Oil Lubricant India Limited	-	-	-	-	-	-	7.68	-
National Health and Education Society	-	-	-	-	118.13	111.57	-	-
Indus Ind Media & Communications Limited	-	-	-	-	49.36	54.81	-	-
Trunk Digital Studios LLC	-	-	-	-	-	13.25	-	-
Cyqurex Systems Private Limited	-	-	-	-	4.82	95.06	-	-
Others	-	-	0.20	0.20	4.43	22.89	-	-
Total	181,198.19	159,942.16	0.20	0.20	176.74	297.58	2,109.43	1,819.32
Interest Income								
HGS International	925.55	294.44	-	-	-	-	-	-
Hinduja Group Limited	-	-	-	-	224.39	-	-	-
Hinduja Realty Ventures Limited	-	-	-	-	251.92	-	-	-
Hinduja Energy (India) Ltd	-	-	-	-	7.28	-	-	-
Total	925.55	294.44	-	-	483.59	-	-	-
Lease payments								
Hinduja Group limited	-	-	-	-	91.80	121.64	-	-
Hinduja Realty Ventures Limited	-	-	-	-	178.93	190.02	-	-
Satya A Hinduja	-	-	54.90	52.29	-	-	-	-
Total	-	-	54.90	52.29	270.73	311.66	-	-
Link Connectivity Charges								
IndusInd Media & Communications Ltd	-	-	-	-	2.75	2.06	-	-
Total	-	-	-	-	2.75	2.06	-	-

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(All amounts are in Rupees Lakhs)

	Parties referred to in II above		Parties referred to in III and VI above		Parties referred to in IV and V above		Parties referred to in VII above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Corporate Social Responsibility (CSR)								
National Health and Education Society	-	-	-	-	290.00	100.00	-	-
Total	-	-	-	-	290.00	100.00	-	-
Legal & Professional charges								
Hinduja Group Limited	-	-	-	-	-	281.83	-	-
HGS Mena FZ LLC	238.57	-	-	-	-	-	-	-
HGS Digital, LLC	19.77	-	-	-	-	-	-	-
Total	258.34	-	-	-	-	281.83	-	-
Miscellaneous Expenses								
HGS (USA) LLC	190.28	166.98	-	-	-	-	-	-
Hinduja Global Solutions UK Limited	12.34	-	-	-	-	-	-	-
HBI Group, Inc.	-	-	-	-	-	-	-	14.02
Hinduja Realty Ventures Limited	-	-	-	-	18.72	0.50	-	-
Total	202.62	166.98	-	-	18.72	0.50	-	14.02
Executive Remuneration*								
Mr. Partha DeSarkar #	-	-	1,160.37	774.47	-	-	-	-
Total	-	-	1,160.37	774.47	-	-	-	-

Note:

* The above Executive remuneration excludes Gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

#Maximum Variable Pay for the year 2019-20, dependent on satisfactory performance and subject to NRC approval for Rs.360.56 lakhs, payable in FY 2020-21. Maximum deferred pay, subject to agreed targets being met and approved by the NRC, Rs.507.30 Lakhs, payable in FY 2022-2023.

	Parties referred to in II above		Parties referred to in III and VI above		Parties referred to in IV and V above		Parties referred to in VII above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance paid to key managerial personnel towards travel								
Mr. Partha DeSarkar	-	-	0.36	-	-	-	-	-
Total	-	-	0.36	-	-	-	-	-
Expenses reimbursed to other Companies								
Hinduja Global Solutions UK Limited	0.69	132.54	-	-	-	-	-	-
Total	0.69	132.54	-	-	-	-	-	-
Expenses reimbursed by other Companies								
HGS Healthcare LLC	29.33	-	-	-	-	-	-	-
HGS (USA), LLC	286.94	264.44	-	-	-	-	-	-
HGS Canada Inc.	89.40	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Parties referred to in II above		Parties referred to in III and VI above		Parties referred to in IV and V above		Parties referred to in VII above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Hinduja Global Solutions Inc.	-	36.16	-	-	-	-	-	-
HGS EBOS LLC	2.91	2.01	-	-	-	-	-	-
Team HGS Limited	56.59	54.19	-	-	-	-	-	-
Hinduja Global Solutions UK Limited	75.24	-	-	-	-	-	-	-
HGS Mena FZ LLC	3.60	12.69	-	-	-	-	-	-
HGS Canada Inc.	-	65.23	-	-	-	-	-	-
HGS Axis Point Health LLC	3.83	-	-	-	-	-	-	-
Total	547.84	434.72	-	-	-	-	-	-
Commission to Directors & sitting fees paid								
Commission to Directors	-	-	325.00	305.00	-	-	-	-
Sitting fees paid to Director's	-	-	106.00	89.00	-	-	-	-
Total	-	-	431.00	394.00	-	-	-	-
Receivable net of payable as at the year-end								
HGS Healthcare LLC	56,918.39	49,881.52	-	-	-	-	-	-
NXTDIGITAL Limited [Refer note 31A (ii)]	-	-	-	-	1,868.99	1,868.99	-	-
HGS (USA), LLC	2,933.89	991.65	-	-	-	-	-	-
HGS Canada Inc.	122.96	288.06	-	-	-	-	-	-
HGS Mena FZ LLC	160.49	571.87	-	-	-	-	-	-
HGS EBOS LLC	6,522.51	11,716.34	-	-	-	-	-	-
Hinduja Global Solutions UK Limited	2,639.28	-	-	-	-	-	-	-
Hinduja Global Solutions Europe Limited	0.84	0.81	-	-	-	-	-	-
Team HGS Limited	109.70	158.89	-	-	-	-	-	-
HGS Colibrium Inc	120.04	166.36	-	-	-	-	-	-
HGS Axis Point Health LLC	55.53	17.47	-	-	-	-	-	-
Falcon Health Solutions Puerto Rico LLC	28.93	-	-	-	-	-	-	-
HGS Digital, LLC	452.82	456.39	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	-	-	15.08	75.71
IndusInd Bank Limited	-	-	-	-	-	-	45.12	146.96
Gulf Oil International Ltd	-	-	-	-	-	-	4.77	3.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Parties referred to in II above		Parties referred to in III and VI above		Parties referred to in IV and V above		Parties referred to in VII above	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Gulf Oil Lubricant India Limited	-	-	-	-	-	-	-	10.79
Others	-	-	-	-	68.01	88.73	-	-
Total	70,065.38	64,249.36	-	-	1,937.00	1,957.72	64.97	237.11
Payable net of receivables as at year-end								
Customer Contact Centre Inc.	3,481.81	3,205.86	-	-	-	-	-	-
Hinduja Global Solutions UK Limited	-	55.49	-	-	-	-	-	-
Hinduja Group Limited	5.62	-	-	-	-	70.45	-	-
HBI Group Inc	-	-	-	-	-	-	-	14.02
Total	3,487.43	3,261.35	-	-	-	70.45	-	14.02
Loans								
HGS International	30,147.00	27,712.52	-	-	-	-	-	-
Hinduja Group Limited	-	-	-	-	15,000.00	-	-	-
Hinduja Realty Ventures Limited	-	-	-	-	15,000.00	-	-	-
Hinduja Energy (India) Ltd	-	-	-	-	4,000.00	-	-	-
Total	30,147.00	27,712.52	-	-	34,000.00	-	-	-
Interest Receivable								
Hinduja Group Limited	-	-	-	-	3.43	-	-	-
Hinduja Realty Ventures Limited	-	-	-	-	3.43	-	-	-
Hinduja Energy (India) Ltd	-	-	-	-	0.91	-	-	-
Total	-	-	-	-	7.77	-	-	-
Interest Received in Advance								
HGS International	39.42	-	-	-	-	-	-	-
Total	39.42	-	-	-	-	-	-	-
Security deposit								
Hinduja Group Limited	-	-	-	-	-	4.90	-	-
Hinduja Realty Ventures Limited	-	-	-	-	42.00	42.00	-	-
Satya Hinduja	-	-	-	-	12.00	12.00	-	-
Total	-	-	-	-	54.00	58.90	-	-
Investments in equity shares at the year end								
HGS International	38,880.28	38,880.28	-	-	-	-	-	-
Total	38,880.28	38,880.28	-	-	-	-	-	-

Notes:

- There are no transactions with parties referred in I above.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

40 Fair Value Measurements

(a) Financial instruments by category

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Treasury bills(Refer note 5)	-	-	1,032.12	-	-	1,453.01
Loans(Refer note 6 & 12)	-	-	64,147.00	-	-	27,712.52
Security deposits (Refer note 7 & note 13)	-	-	4,648.05	-	-	5,150.46
Bank deposits(Refer note 7)	-	-	110.11	-	-	104.51
Trade receivables(Refer note 10)	-	-	79,842.53	-	-	82,736.87
Cash and cash equivalents(Refer note 11a)	-	-	8,502.34	-	-	5,554.56
Bank balances other than Cash and cash equivalents(Refer note 11b)	-	-	174.09	-	-	175.10
Other receivables (Refer note 13)	-	-	556.74	-	-	49.62
Derivative financial assets(Refer note 7 & 13)	-	334.54	-	-	2,334.50	-
Total Financial assets	-	334.54	159,012.98	-	2,334.50	122,936.65
Financial liabilities						
Borrowings(Refer note 16)	-	-	23,494.26	-	-	16,659.77
Lease liabilities(Refer note 17)	-	-	67,325.20	-	-	985.65
Trade payables(Refer note 20)	-	-	14,858.03	-	-	13,761.94
Derivative financial liabilities (Refer note 18 & 21)	-	6,707.61	-	-	413.05	-
Other financial liabilities(Refer note 21)	-	-	9,688.23	-	-	11,601.25
Total Financial liabilities	-	6,707.61	115,365.72	-	413.05	43,008.61

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

(i) Fair Value Hierarchy

Financial assets and liabilities include cash and cash equivalents, trade receivables, long and short-term loans and borrowings, finance lease payables, bank overdrafts, trade payable. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Date of Valuation	Notes	Level 1	Level 2	Level 3	Total
Derivatives designated as hedges						
Foreign exchange forward contracts*	March 31, 2020	7&13	-	334.54	-	334.54
	March 31, 2019		-	2,334.50	-	2,334.50
Derivatives designated as hedges						
Foreign exchange forward contracts*	March 31, 2020	18&21	-	6,013.47	-	6,013.47
	March 31, 2019		-	235.32	-	235.32
Interest Rate Swap	March 31, 2020	18&21	-	694.14	-	694.14
	March 31, 2019		-	177.73	-	177.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

*The fair value of derivative financial instruments is determined based on the observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Derivative financial instruments:

The Group has evaluated the impact of the COVID-19 event on its highly probable transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction. The Group has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

‘The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company’s long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

41 Financial risk management

The Company’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The Company’s exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits for customers
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The Company’s risk management is carried out by the finance department under direction of the Board of Directors. The company’s finance department identifies, evaluates and hedges financial risks in close cooperation with the Company’s operating units. The Board provides direction for overall risk management as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and managing the liquidity.

A) Credit risk

Credit risk arises from trade receivables include unbilled receivables, cash and cash equivalents and deposits with banks and financial institutions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

i) Credit risk management:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Credit risk is managed on a financial asset basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Company's maximum exposure to credit risk for each class of financial asset is the carrying amount of the financial assets recognized in the balance sheet.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forward looking information. Especially the following indicators are incorporated:

- Historical trend default in case of applicable financial asset
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Other applicable macroeconomic information such as regulatory changes

A default on a financial asset is when the counterparty fails to make contractual payments within agreed credit terms from the date when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables in unbilled receivables amounting to Rs. 79,260.37 Lakhs (March 31, 2019 Rs. 81,877.71 Lakhs) as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 120 days past due from agreed credit terms with customer. The Company expects that expected credit loss has been factored in estimating the credit risk which includes arriving at the default rate based on historical trend and adjusted for current and forward looking macro economic considerations for impairment is not significant based on historical trend and the nature of business. The provision made as at reporting date is considered to be adequate as Management continuously assesses the requirement for provision on ongoing basis. During the year, the Company made write-offs of Rs. 117.95 Lakhs (March 31, 2019 Rs. 117.61 Lakhs) of trade receivables.

Exposure of credit loss on security deposits given against the rented premises is considered to be low as recovery of these deposits is supported by contractual agreement. As a internal process management performs background check of counterparty before entering into contractual agreement where credit risk assessment is carried out. As at reporting date credit risk has not increased significantly since initial recognition.

The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Ratings of customers are periodically monitored. The Company has considered the latest available credit-ratings of customers in view of COVID-19 to ensure the adequacy of allowance for expected credit loss towards trade and other receivables.

- a) The following table gives details in respect of percentage of revenues generated from top customer and top five customers.

	March 31, 2020	March 31, 2019
Revenue from top customer	27.38%	24.67%
Revenue from top five customers	60.11%	57.24%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Ageing of Receivables	March 31, 2020	March 31, 2019
Within the Credit Period	36,907.38	59,429.14
1-30 days past due	20,299.27	12,701.92
31-60 days past due	14,515.10	6,045.72
60-90 days past due	4,355.99	1,128.02
More than 90 days past due	3,765.06	3,432.07
Total	79,842.80	82,736.87

Movement in excepted credit loss allowance

	March 31, 2020	March 31, 2019
Balances at beginning of the year	76.57	82.41
Movement in excepted credit loss Allowance	105.93	(5.84)
Balances at closing of the year	182.50	76.57

B) Liquidity risk

Prudent Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities' to meet obligation's when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities' below) and cash and cash equivalent's on the basis of expected cash flows. These limits vary by location to take into account the Liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet Liquidity ratios and maintaining debt financing plans.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Ageing	March 31, 2020	March 31, 2019
Expiring within one year (Cash Credits and other facilities)	16,579.23	22,196.49
Total	16,579.23	22,196.49

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Contractual maturities of financial liabilities - March 31, 2020	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	12,189.14	3,768.38	7,536.75	-	23,494.27
Lease liabilities	7,757.30	7,878.83	23,473.95	28,215.12	67,325.20
Trade payables	14,858.03	-	-	-	14,858.03
Other financial liabilities	9,688.23	-	-	-	9,688.23
Total non-derivative liabilities	44,492.70	11,647.21	31,010.70	28,215.12	115,365.73
Derivatives					
Foreign exchange forward Contracts - net settled and Interest rate swap	6,707.61	-	-	-	6,707.61
Total derivative liabilities	6,707.61	-	-	-	6,707.61

Contractual maturities of financial liabilities - March 31, 2019	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	2,803.50	3,464.07	10,392.20	-	16,659.77
Lease liabilities	191.89	214.83	578.93	-	985.65
Trade payables	13,761.94	-	-	-	13,761.94
Other financial liabilities	11,601.25	-	-	-	11,601.25
Total non-derivative liabilities	28,358.58	3,678.90	10,971.13	-	43,008.61
Derivatives					
Foreign exchange forward Contracts - net settled and Interest rate swap	413.05	-	-	-	413.05
Total derivative liabilities	413.05	-	-	-	413.05

The average credit period of trade payables is 45 days.

C) Market risk

i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, GBP and CAD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency (INR for India and Philippines Peso for Manila branch). The risk is measured through a forecast of highly probable foreign currency cash flows. The company's risk management policy is to hedge upto 75% of forecasted foreign currency sales for the next 12 months; 40% of forecasted foreign currency sales for the next 24 months and 20% of forecasted foreign currency sales for the next 36 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge the forecasted sales.

In accordance with its risk management policies and procedures, the Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered for the purpose of being a hedge, the Company matches the terms of the derivatives to the terms of the hedged exposure and assesses the effectiveness of the hedged item match the terms of the hedged exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship. The objective of the hedges is to minimise the volatility of the functional currency cash flows of highly probable forecast transactions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

ii) Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	Currency	As at	
		March 31, 2020	March 31, 2019
Financial assets			
Loans	USD	30,147.00	27,712.52
Trade receivables	USD	72,053.85	67,547.12
	GBP	81.06	121.07
	SGD	2.64	2.52
	CAD	14.41	73.52
	AED	7.39	-
Bank balance in EEFC accounts	USD	3,450.13	1,827.35
	CAD	151.96	2.16
Financial liabilities			
Borrowings	USD	15,073.50	13,906.35
Finance Lease Liability	USD	2,419.12	
Trade payable	USD	5,005.39	3,776.84
	GBP	0.36	-

iii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on profit after tax	
	March 31, 2020	March 31, 2019
USD sensitivity		
INR/USD -Increase by 5% (March 31, 2019-4%)*	2,704.97	2,066.40
INR/USD -Decrease by 5% (March 31, 2019-4%)*	(2,704.97)	(2,066.40)
CAD sensitivity		
INR/CAD - Increase by 4% (March 31, 2019 - 4%)*	4.33	1.86
INR/CAD - Decrease by 4% (March 31, 2019 - 4%)*	(4.33)	(1.86)
GBP sensitivity		
INR/GBP -Increase by 8% (March 31, 2019 - 8%)*	4.20	6.06
INR/GBP -Decrease by 8% (March 31, 2019 - 8%)*	(4.20)	(6.06)

* Holding all other variables constant

iv) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company manages its net exposure to interest rate risk relating to borrowings by entering into interest rate swap agreements, which allows it to exchange periodic payments based on a notional amounts and agreed upon fixed and floating interest rates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	8,420.77	2,803.51
Total borrowings	8,420.77	2,803.51

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates for floating rate borrowings.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest rates — increase by 70 basis points (March 31, 2019 -70 bps)*	(39.28)	(59.36)
Interest rates — decrease by 70 basis points (March 31, 2019 -70 bps)*	39.28	59.36

* Holding all other variables constant

42 Financial risk management

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

The Company'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 Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item.

Hedge ineffectiveness is recognised on a cash flow hedge in the statement of profit and loss. Ineffectiveness represents remaining portion of gain or loss on the hedging instrument that cannot be offset with the change in the fair value of the hedged item.

March 31, 2020

Types of hedge and risks	Foreign Currency Notional Amount (USD Mn)	Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Foreign exchange forward contracts							
Sell USD, buy INR	185.50	-	(6,002.04)	March, 2023	1:1	(6,002.04)	6,002.04
Sell USD, buy PHP	94.40	334.54	(11.43)	March, 2021	1:1	323.11	(323.11)
Interest rate swap	20.00	-	(694.14)	February, 2024		(694.14)	694.14
(included in Other Current Financial Assets/ Liabilities)							

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

March 31, 2019

Types of hedge and risks	Foreign Currency Notional Amount (USD Mn)	Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Foreign exchange forward contracts:							
Sell USD, buy INR	92.50	2,167.20	(163.96)	April, 2020	1:1	2,003.24	(2,003.24)
Sell USD, buy PHP	56.50	167.30	(71.36)	Dec, 2019	1:1	95.94	(95.94)
Interest rate swap	20.00	-	(177.73)	February, 2024		(177.73)	177.73
(included in Other Current Financial Assets/liabilities)							

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

March 31, 2020

Type of hedge	Change in the value of hedging instrument recognized in Other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(5,205.59)	-	(3,605.32)	Revenue
Interest rate risk	516.41	-	-	Finance Cost

March 31, 2019

Type of hedge	Change in the value of hedging instrument recognized in Other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(1,226.29)	-	2,725.13	Revenue
Interest rate risk	177.73	-	-	Finance cost

43. Financial impact of initial application of Ind AS 116

The tables below show the amount of adjustment for each financial statement line item affected by the application of Ind AS 116 for the current year, as applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Impact on statement of statement of profit and loss

Impact on statement of profit/ (loss) for the year	Year ended March 31, 2020	
	Continuing Operations	Discontinued Operations
Increase in depreciation and amortisation expense	10,431.33	1,798.91
Increase in finance costs	5,108.90	891.55
Decrease in other expenses	(11,714.32)	(2,301.69)
Increase/ (Decrease) in profit for the year	(3,825.91)	(388.77)
Increase/ (Decrease) in other comprehensive income for the year	-	-

Impact on earnings per share

Particulars	Year ended March 31, 2020
Increase/ (Decrease) in earnings per share from continuing and discontinued operations	
Basic (₹ per share)	(20.21)
Diluted (₹ per share)	(20.20)

Impact on assets, liabilities and equity as at April 1, 2019

Particulars	As previously reported *	Ind AS 116 adjustments	As restated
Right-of-use assets	2,846.13	56,421.89	59,268.02
Net impact on total assets	2,846.13	56,421.89	59,268.02
Lease liabilities	(985.65)	(61,911.31)	(62,896.96)
Net impact on total liabilities	(985.65)	(61,911.31)	(62,896.96)
Retained earnings (net of deferred tax)	-	5,857.45	5,857.45
Net impact on total liabilities and equity	1,860.48	368.03	2,228.51

* These amounts relate to finance lease arrangements recognised under Ind AS 17 and a leasehold building.

Impact on assets, liabilities and equity as at March 31, 2020

Particulars	As at April 1, 2019	Ind AS 116 adjustments	As at March 31, 2020
Right-of-use assets	59,268.02	3,789.55	63,057.57
Net impact on total assets	59,268.02	3,789.55	63,057.57
Lease liabilities	(62,896.96)	(4,428.23)	(67,325.19)
Net impact on total liabilities	(62,896.96)	(4,428.23)	(67,325.19)
Retained earnings (net of deferred tax)	5,857.45	-	5,857.45
Net impact on total liabilities and equity	2,228.51	(638.68)	1,589.83

Company as a lessee

- The application of Ind AS 116 to leases previously classified as operating leases under Ind AS 17 resulted in the recognition of right-of-use assets and lease liabilities. These are presented as a separate line in the financial statements. It also resulted in a decrease in other expense, increase in depreciation and amortisation expense and increase in interest expense.
- Assets held under finance lease arrangements previously presented within property, plant and equipment is now presented as right-of-use-assets.
- Lease liability presented as a separate line item as lease liabilities.
- The lease incentives previously recognised with respect to operating leases has been derecognised and the amount factored in the measurement of the right-of-use assets and lease liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of practical expedients exercised for low value assets and short term leases as at adoption of the standard, measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

The following table shows the operating lease commitments disclosed applying Ind-AS 17 at March 31, 2019 and the lease liabilities recognised in the balance sheet at the date of initial application.

	(₹ in Lakhs)
Operating lease commitments as on March 31, 2019	96,943.53
Short term leases and leases of low value assets	1,256.79
Effect of discounting on above	(36,289.01)
Reclassification of Finance lease liabilities recognised under Ind-AS 17	985.65
Lease liabilities recognised as at April 1, 2019	62,896.96

The application of Ind AS 116 has an impact on the statement of cash flows of the Company

Under Ind AS 116, the Group has presented

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest and principal portion of lease liability as financing activities

Under Ind AS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. Consequently, the net cash generated by operating activities has increased by ₹ 14,016.01 lakhs and net cash used in financing activities increased by the same amount.

The adoption of Ind AS 116 did not have an impact on net cash flows.

Leases (Company as a lessee)

The Company leases several assets including buildings, furnitures and equipments. The average lease term is 6.49 years. (April 1, 2019- 7.11 years)

Right-of-use assets	Building	Office Equipment	Furniture & Fixtures	Total
Net carrying amount				
March 31, 2019	1,895.46	950.67	-	2,846.13
March 31, 2020	61,692.84	1,222.37	142.36	63,057.57
Depreciation expense for the year ended				
March 31, 2019	-	166.11	-	166.11
March 31, 2020	11,826.59	342.49	61.16	12,230.24

Amounts recognised in statement of profit and loss	Year ended March 31, 2020
Depreciation expense on right-of-use assets	12,230.24
Interest expense on lease liabilities	6,000.45
Expense relating to short-term leases	1,256.79
Expense relating to leases of low value assets	-
Expense relating to variable lease payments not included in the measurement of the lease liability	-

Lease liabilities	March 31, 2020
Non Current	59,567.89
Current	7,757.30
Total	67,325.19

Maturity analysis of Lease payments and short term & low value leases

Particulars	March 31, 2020	March 31, 2019	
		Operating Leases	Finance Leases
Not later than 1 year	12,879.68	12,328.89	191.89
Later than 1 year and not later than 5 years	45,111.09	48,890.22	793.76
Later than 5 years	33,628.38	35,724.42	-

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

44 Discontinued operations and Business combinations**I. Discontinued operations**

- a) Disposal of India Domestic Customer Relationship Management (CRM) business

On November 28, 2019 the Company had entered into a definitive agreement for sale of its India domestic CRM business to Altruist India Private Limited. The CRM business primarily comprises voice based contact centre services and some non-voice services to CRM customers. The business is operated as a division of the Company and the sale transaction was completed on January 31, 2020. The intent of disposal of CRM business by the Company is to consolidate the product offerings and focus on high-margin services.

- b) Details of sale of the business

	Year ended March 31, 2020
Consideration received	3,591.74
Less: Carrying amount of net assets	2,156.42
Less: Transaction fee	355.00
Less: Assets written-off	114.54
Gain on sale before Income tax	965.78
Income tax expense	255.13
Gain on sale after Income tax	710.65

- c) Carrying amount of assets and liabilities on the date of transfer is as follows:

	January 31st 2020
Non-Current Assets	
Property, Plant and equipment	2,564.78
Other Current Asset	
Employee advances	1.92
Current Liabilities	
Gratuity	(344.94)
Employee liabilities	(65.34)
Net Assets disposed of	2,156.42

d) Analysis of profit for the year and cash flows from discontinued operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	23,920.39	34,626.92
Other Income	2,980.85	105.17
Total income	26,901.24	34,732.09
Employee benefit expense	16,406.76	23,334.14
Finance cost	891.42	82.27
Depreciation and amortisation expense	3,871.09	1,843.27
Other Expenses	3,508.59	9,002.04
Total expenses	24,677.86	34,261.72
Profit before tax (I)	2,223.38	470.37
Income Tax expense (II)		
a) Income Tax	132.34	108.82
b) Deferred Tax	644.51	-
Total Income Tax expenses(a+b)	776.85	108.82
Gain on disposal of domestic business (III)	965.78	-
Income Tax expense (IV)	255.13	-
Profit before tax from discontinued operations (I) + (III)	3,189.16	470.37
Income tax expense of discontinued operations (II) + (IV)	1,031.98	108.82
Profit after tax from discontinued operations (attributable to the owners of the Company)	2,157.18	361.55

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from discontinued operations		
Net cash inflows from operating activities	10,167.34	6,843.45
Net cash inflows/ (outflows) from investing activities	2,987.69	(1,100.19)
Net cash outflows from financing activities	(2,301.69)	-
Net cash inflows	10,853.34	5,743.26

II. Summary of acquisition

In the previous year, the Company acquired the Digital implementation services business from Element 115 Computech Private Limited ("Element") on April 2, 2018. Details of Net assets acquired, purchase consideration and goodwill are as follows:

Details of the purchase consideration, the net assets acquired are as follows:

Purchase Consideration	Amount
Cash Paid	24.74
Total Purchase Consideration	24.74

The assets and liabilities recognized as a result of the acquisition are as follows:

	Amount
Fixed assets:	
- Tangible Assets	13.59
Net identifiable assets acquired	13.59

Calculation of goodwill	Amount
Consideration transferred	24.74
Less: Net identifiable assets acquired	13.59
Goodwill	11.15

45 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

	March 31, 2020	March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	534.25	316.15
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.02
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	0.02
Further interest remaining due and payable for earlier years	-	-

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

46 Segment reporting

In accordance with paragraph 4 of Ind AS 108 "Operating segments", the Company has presented segmental information only on the basis of the Consolidated financial statements (Refer Note 44 of the Consolidated financial statements).

As per our report of even date

For Deloitte Haskins & Sells LLP
Firm registration no. 117366W/W-100018
Chartered Accountants

Vikas Bagaria
Partner
Membership No.060408

Place : Bengaluru
Date : July 31, 2020

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish
Director
DIN: 00001685
Place : Mumbai

Srinivas Palakodeti
Chief Financial Officer
Place : Bengaluru

Date : July 31, 2020

Partha DeSarkar
Executive Director
DIN: 00761144
Place : Bengaluru

Mahadevan. S
Company Secretary
Place : Bengaluru

**STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT,
2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 [AOC-1]**

(All amounts are in Rupees Lakhs)

Sr. No.	Name of the Subsidiary	Reporting period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of shareholding
1	HGS International	31.03.2020	USD	B/S 75.3675 P/L 71.0466	24,505.16	54,496.44	109,238.91	30,237.31	Nil	1,112.46	(3,332.87)	62.83	(3,395.69)	Nil	100
2	Hinduja Global Solutions Inc.	31.03.2020	USD	B/S 75.3675 P/L 71.0466	0.01	(50,243.62)	335,440.35	385,683.97	Nil	4,666.93	(9,518.66)	(1,902.29)	(7,616.37)	Nil	100
3	HGS Properties LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	-	7,473.87	10,634.27	3,160.40	Nil	1,131.30	892.33	-	892.33	Nil	100
4	HGS Canada Holdings LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	25,519.44	(0.01)	25,519.43	-	Nil	-	-	-	-	Nil	100
5	HGS Canada Inc.	31.03.2020	CAD	B/S 53.3855 P/L 53.332	14,077.76	(38,051.24)	27,487.96	51,461.44	Nil	57,467.90	(95.37)	124.77	(220.14)	Nil	100
6	HGS EBOS LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	-	2,777.98	23,526.68	20,748.70	Nil	32,630.11	4,451.97	-	4,451.97	Nil	100
7	"HGS (USA), LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	3,994.48	47,555.18	321,452.24	269,902.58	Nil	90,255.62	2,424.97	479.24	1,945.74	Nil	100
8	HGS Healthcare LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	189.17	24,994.39	288,649.97	263,466.41	Nil	224,756.00	11,745.12	3,057.04	8,688.08	Nil	100
9	Affina Company	31.03.2020	CAD	B/S 53.3855 P/L 53.332	0.11	(2,270.96)	-	2,270.86	Nil	-	-	-	-	Nil	100
10	Hinduja Global Solutions Europe Limited	31.03.2020	GBP	B/S 93.8689 P/L 90.373	902.43	7,167.08	14,105.68	6,036.17	Nil	2,449.58	60.95	-	60.95	Nil	100
11	Hinduja Global Solutions UK Limited	31.03.2020	GBP	B/S 93.8689 P/L 90.373	51.63	45,458.35	90,136.02	44,626.04	Nil	31,911.30	2,539.12	388.87	2,150.25	Nil	100
12	HGS France S.A.R.L	31.03.2020	EUR	B/S 83.0821 P/L 78.9012	6.65	(690.35)	55.01	738.72	Nil	-	(9.73)	-	(9.73)	Nil	100
13	C-Cubed N.V	31.03.2020	USD	B/S 75.3675 P/L 71.0466	4.52	41.67	4,279.48	4,233.30	Nil	141.58	(1.07)	-	(1.07)	Nil	100
14	C-Cubed B.V	31.03.2020	EUR	B/S 83.0821 P/L 78.9012	18.86	(2,652.94)	1,801.64	4,435.72	Nil	-	(155.77)	-	(155.77)	Nil	100
15	Customer Contact Centre Inc.	31.03.2020	PHP	B/S 1.4811 P/L 1.3858	1,481.10	1,967.79	3,488.22	39.33	Nil	-	(125.66)	-	(125.66)	Nil	100
16	HGS St. Lucia Limited	31.03.2020	XCD	B/S 27.8879 P/L 26.2958	0.00	(17.92)	8,394.96	8,412.88	Nil	-	-	-	-	Nil	100
17	Team HGS Limited	31.03.2020	JMD	B/S 0.5583 P/L 0.5266	0.01	3,178.67	13,957.16	10,778.49	Nil	25,597.70	1,404.65	374.86	1,029.79	Nil	100
18	HGS Mena FZ LLC	31.03.2020	AED	B/S 20.5221 P/L 19.3456	226.01	(5,836.04)	737.20	6,347.23	Nil	1,488.87	(147.17)	-	(147.17)	Nil	100
19	HGS Colibrium LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	27,283.03	(15,143.06)	13,248.32	1,108.35	Nil	4,061.48	(3,189.20)	-	(3,189.20)	Nil	95.20
20	HGS Digital LLC (Formerly known as Element Solutions LLC)	31.03.2020	USD	B/S 75.3675 P/L 71.0466	5.43	2,939.05	5,583.89	2,639.41	Nil	13,098.46	2,316.59	694.43	1,622.16	Nil	57
21	HGS Axis Point Helath LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	2,215.80	(14,488.59)	4,939.92	17,212.71	Nil	5,792.08	(8,075.85)	1,758.25	(9,834.10)	Nil	100
22	Falcon Health Solutions Puerto Rico Holding LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	-	-	-	-	Nil	-	-	-	-	Nil	100
23	Falcon Health Solutions Puerto Rico LLC	31.03.2020	USD	B/S 75.3675 P/L 71.0466	-	(5,131.67)	1,682.37	6,814.04	Nil	4,254.60	(132.59)	900.49	(1,033.09)	Nil	100

Names of subsidiaries which have been liquidated or sold during the year

- 1 HGS International services private Limited (Merged with Hinduja Global Solutions Limited w.e.f. April 1, 2017)
- 2 HGS Italy, S.A.R.L (Liquidated effective July 31, 2017)
- 3 HGS Population Health LLC (Merged with HGS Axis Point Health LLC w.e.f. July 23, 2018)

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A GLIMPSE OF HGS' PRESENCE GLOBALLY



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UK



PRESTON



SELKIRK



WALES

JAMAICA



KINGSTON

US



PEORIA



ST. LOUIS



KINGSTON



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