

August 30, 2021

**BSE Limited**

Corporate Relations Department  
P.J. Towers, Dalal Street,  
Mumbai - 400 001.  
**Script 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 2020-21 and Notice of 26<sup>th</sup> 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 2020-21 and the Notice of Twenty Sixth 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 Thursday, September 23, 2021 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**



**Narendra Singh**  
**Company Secretary**

Encl: As above



## 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 26<sup>th</sup> Annual General Meeting of the Members of **HINDUJA GLOBAL SOLUTIONS LIMITED** will be held on Thursday, September 23, 2021 at 11:00 a.m. (IST) **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, 2021 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, 2021 along with the report of the Auditors thereon.
2. To declare a final dividend of ₹22 per equity share which includes a special dividend of ₹15 per equity share (on an equity share of par value of ₹10/- each) for the financial year ended March 31, 2021; and to confirm three interim dividends aggregating to ₹18, already paid, per equity share of ₹10/- each for the financial year ended March 31, 2021.
3. To consider appointment of a Director in place of Mr. Yashodhan Madhusudan Kale (DIN:00013782), 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. Yashodhan Madhusudan Kale (DIN:00013782), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation.”

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the Members of the Company be and is hereby accorded to Mr. Yashodhan Madhusudan Kale (DIN:00013782) to continue to hold office as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, notwithstanding that on November 4, 2022 he attains the age of 75 years.”
5. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to Section 180(1)(a) and such other provisions as may be applicable, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') and any other rules/regulations/ guidelines, if any, prescribed by the Ministry of Corporate Affairs, Securities and Exchange Board of India ('SEBI'), Reserve Bank of India, Stock Exchanges where the shares of the Company are listed ('Stock Exchanges') and/ or any other statutory/ regulatory authority and the Memorandum and Articles of Association of the Company, and subject to the approvals,

consents and permissions as may be necessary from statutory authorities or third parties to the extent applicable and necessary and subject to such conditions as may be imposed by them, and which may be agreed to by the Board of Directors of the Company (the "Board", which expression shall also include a Committee of Directors thereof), the consent of the Members of the Company be and is hereby accorded to sell/ transfer/ hive-off / dispose of the healthcare services business conducted by the Company, its branch office and its subsidiaries (including employees / contracts etc. pertaining to such business, as may be required) as a going concern for an aggregate consideration of USD 1,200,000,000 (United States Dollars One Billion Two Hundred Million) on the basis of an arms' length price, subject to certain adjustments as may be mutually agreed between the parties, to wholly owned subsidiaries/branch of Betaine B.V. (the "Investor") by way of:

- a. slump sale as a going concern of the healthcare services business undertaking of the Company in India for a consideration of USD 449,000,000 (United States Dollars Four Hundred Forty Nine Million) subject to certain adjustments as may be mutually agreed between the parties;
- b. slump sale as a going concern of the healthcare services business undertaking of the Company in Philippines conducted through its branch in Philippines for a consideration of USD 109,000,000 (United States Dollars One Hundred Nine Million);
- c. slump sale as a going concern of the healthcare services business undertaking of Team HGS Limited in Jamaica for a consideration of USD 86,000,000 (United States Dollars Eighty Six Million); and
- d. sale of the U.S. healthcare services business, comprising: (i) the entire shareholding in HGS Healthcare LLC, HGS AxisPoint Health LLC, HGS EBOS LLC and HGS Colibrium LLC (the 'US Companies') and (ii) certain assets, employees and contracts of Hinduja Global Solutions Inc., HGS (USA) LLC and Hinduja Global Solutions UK Limited relating to the healthcare services business, which may be implemented through an internal reorganisation resulting in the foregoing being held by a new

company to be incorporated in Delaware ('US NewCo'), and the sale of all of the share in US NewCo to the Investor, or in another manner as may be agreed with the Investor for an aggregate consideration of USD 556,000,000 (United States Dollars Five Hundred Fifty Six Million), subject to certain adjustments as may be mutually agreed in respect of the US, Philippines and Jamaica."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to undertake and perform all such acts, deeds, matters and things, including but not limited to, finalizing and executing all such deeds, documents, agreements and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion including without limitation, effecting any modifications or changes to the foregoing, for the purpose of giving effect to this resolution or to settle any question, difficulty or doubt that may arise in this regard or incidental thereto, take any other steps which may be incidental, consequential, relevant or ancillary in this regard, as they may in their absolute discretion deem fit in the interest of the Company, without being required to seek any further consent or approval of the Members and the decision of the Board shall be final and conclusive."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or Officer(s) or Authorized Representative(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respect."

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

**Narendra Singh**  
**Company Secretary**  
**F4853**

Place : Mumbai  
Date : August 18, 2021

**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, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as 'SEBI 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 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations'), the 26th AGM of the Company is being convened and conducted through VC. The deemed venue for the 26th AGM shall be the Registered Office of the Company.
  2. The Company has enabled the Members to participate at the 26th AGM through the VC facility provided by KFin Technologies Private Limited (Formerly Known as Karvy Fintech Private Limited) ('KFin' or 'KFintech'), Registrar and Share Transfer Agent ('RTA') 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-serve basis.
  3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Businesses are annexed hereto.
  4. As per the provisions under the MCA Circulars, Members attending the 26th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  5. 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 and instructions of remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to e-voting that will take place at the 26th AGM being held through VC.
  6. Members joining the meeting through VC, who have not already cast their vote by remote e-voting, shall be able to exercise their right to vote through e-voting that will take place at the AGM. The Members who 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.
  7. 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 that will take place at the 26th AGM through VC in a fair and transparent manner.
  8. As per the provisions of the Act, 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 26th AGM is being held through VC as per the MCA Circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the Members will not be made available for the 26th AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice.
  9. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 26th AGM through VC facility. Corporate Members and Institutional Investors intending to appoint their authorised representatives pursuant to Section 113 of the Act to attend the AGM through VC or to vote through remote e-voting on their behalf, are required to access the link <https://evoting.kfintech.com> and upload a certified copy of the Board resolution.
  10. In case of joint holders, the Members 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 at the AGM.
- 11. Book Closure and Dividend**
- The Register of Members and Share Transfer books of the Company will be closed from



Wednesday, September 22, 2021 to Thursday, September 23, 2021 (both days inclusive) for the purpose of AGM and payment of final dividend.

The final dividend of ₹22 per equity share of ₹10 each (220%), if declared at the AGM, will be paid subject to the deduction of tax at source ('TDS') on or before Tuesday, October 5, 2021 to those Members/ beneficial owners whose names appear as per the list furnished by the National Securities Depository Limited's ('NSDL') and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic form/ Register of Members as on Tuesday, September 21, 2021.

12. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct income tax from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (the 'IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ its RTA, i.e., KFin by sending documents at its e-mail ID investor.relations@teamhgs.com / einward.ris@kfintech.com or update the same by visiting the link : <https://ris.kfintech.com/form15/> on or before Tuesday, September 21, 2021 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication/ documents on the tax determination/ deduction shall be considered after Tuesday, September 21, 2021.
13. At the 22<sup>nd</sup> AGM held on September 28, 2017, the Members approved appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/ W-100018), as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of 22<sup>nd</sup> AGM till the conclusion of the 27<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating

to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 26<sup>th</sup> AGM.

14. 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.
15. In line with the MCA Circulars, the notice (including remote e-voting instructions) of the 26<sup>th</sup> AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website at [www.teamhgs.com/investors/annual-reports](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin at <https://evoting.kfintech.com>.

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 RTA, i.e., KFin Technologies Private Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.

16. The details of the Director seeking re-appointment and continuation of appointment after attaining the age of 75 years are provided in **Annexure A** of this Notice. The Company has received the requisite consents/ declarations for such re-appointment under the Act, and the rules made thereunder and other applicable laws. Further, the relevant details pursuant to Regulations 30 and 36(3) of the SEBI Listing Regulations, and Secretarial Standards on

General Meetings, in respect of Item Nos. 3 & 4 is set out as an **Annexure A** 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 DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. 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, RTA 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 RTA, 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 RTA.
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 RTA 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. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members upon normalization of postal services and other activities.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company and the Company's RTA of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
22. In accordance with the proviso to Regulation 40 of the SEBI Listing Regulations, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a Depository, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and ease of portfolio management, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer and participate in corporate actions.
23. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned DP(s), 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.
24. Members who wish to claim their unclaimed dividend, are requested to either correspond with the Corporate Secretarial Department at the Company's Registered Office or the Company's RTA, i.e., KFin, 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](http://www.teamhgs.com). Members are requested to note that the dividend remaining unclaimed for a continuous period of seven (7) 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 claimed for seven (7) consecutive years or more shall be transferred to demat account of the IEPF Authority within a period of thirty (30) days of such shares becoming due to be transferred.

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.

25. Pursuant to the Rule 5(8) of the Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on September 30, 2020 (date of last Annual General Meeting) on its website at [www.teamhgs.com/investors/corporate-information/details-unclaimed-dividend](http://www.teamhgs.com/investors/corporate-information/details-unclaimed-dividend) and also on the website of the Ministry of Corporate Affairs.

26. 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 RTA or the Secretarial Department of the Company at its Registered Office. If a Member desires to cancel the earlier nomination and record fresh nomination, he/ she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DPs in case the shares are held by them in electronic form and

to the RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) in case the shares are held in physical form, quoting your folio number.

27. The following documents will be available for inspection by the Members electronically during the 26th AGM. Members seeking to inspect such documents can send an email to [investor.relations@teamhgs.com](mailto: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 Act.

Members may note that all documents referred to in this Notice and Explanatory Statement will be available for electronic inspection without any fee by the members from the date of dispatch of this notice up to the date of AGM, basis the request being sent by the members on e-mail to [investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com)

In case of any queries regarding the Annual Report, the Members may write to [investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com).

28. 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 dematerialize equity shares held in the Company.

29. Members are requested to quote their Folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Company's RTA.

30. 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 15, 2021 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 15, 2021, shall be entitled to avail the facility of remote e-voting as well as e-voting during the 26th AGM through VC. **The remote e-voting period commences at 9:00 a.m.(IST) on Sunday, September 19, 2021 and ends at 5:00 p.m. (IST) on Wednesday, September 22, 2021.**

31. FIFO entry into e-AGM for 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. is not restricted.

32. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations read with MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM, through e-Voting agency KFin Technologies Private Limited. The facility of casting votes by a member using remote e-Voting system as well as e-voting that will take place at the 26th AGM, will be provided by KFin.

**Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system that will take place at the 26th AGM.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item Nos. 3 & 4

Mr. Yashodhan Madhusudan Kale (DIN: 00013782) [‘Mr. Y. M. Kale’] a Non-executive Non-Independent Director, whose period of office is liable to determination by retirement of directors by rotation, will be liable to retire by rotation at the 26th Annual General Meeting (‘AGM’) to be held on September 23, 2021. Mr. Y. M. Kale was re-appointed as a Director, at the 24th AGM held on September 28, 2019.

In compliance with the provisions of Section 152 of the Companies Act, 2013, it is necessary for Mr. Y.M. Kale, Director to come up for retirement by rotation at the ensuing AGM. Mr. Y.M. Kale, being eligible, has offered himself for re-appointment as a Director and consent of the Members would be required by way of an ordinary Resolution at the 26th AGM to be held on September 23, 2021.

Further, Mr. Y.M. Kale would be attaining the age of 75 years on November 4, 2022. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for the continuation of Mr. Y.M. Kale as a Non-Executive Non-Independent Director beyond November 4, 2022, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise.

In view of the above, the Nomination and Remuneration Committee and the Board of Directors at their meeting held on August 5, 2021 and August 9, 2021, respectively, have approved and recommended the re-appointment of Mr. Y. M. Kale and his continuation as Non-Executive Non-Independent Director after attaining the age of 75 years also.

Accordingly, accompanying Notice at item Nos. 3 & 4, contains a proposal for re-appointment of Mr. Y.M. Kale and his continuation as Non-Executive Non-Independent Director after attaining the age of 75 years. Your Directors recommend the resolutions set out at Item Nos. 3 & 4 of the accompanying Notice for the approval of members.

Mr. Y.M. Kale 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. Y.M. Kale, are directly or indirectly concerned or interested financially or otherwise in the resolution set out at Item Nos. 3 & 4 of the accompanying Notice.

Please refer to Annexure ‘A’ to 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 financial year, etc.

### Item No. 5

The Company had announced its decision to review its existing portfolio of businesses to the stock exchanges on September 7, 2020. Following such announcement, the Company explored strategic options including a potential divestment of its healthcare services business. As part of its process, the Company conducted a bidding process to identify reputed private equity/ strategic investors for possible divestment of the healthcare services business and invited bids from potential acquirers, including international/ domestic PE investors and large strategic players. After discussions with potential buyers, the Board determined that the offer received from Betaine B.V. (‘Investor’) is in the best interest of the Company and its stakeholders.

The Company’s Board of Directors at their meeting held on August 9, 2021 have accordingly approved the sale of the healthcare services business conducted by the Company, its branch office in the Philippines, Team HGS Limited, Jamaica (‘HGS Jamaica’), the entire shareholding in HGS Healthcare LLC, HGS AxisPoint Health LLC, HGS EBOS LLC and HGS Colibirum LLC (the ‘US Companies’) and certain assets, employees and contracts of Hinduja Global Solutions Inc., HGS (USA) LLC and Hinduja Global Solutions UK Limited relating to the healthcare services business. This sale involves:

- (i) a slump sale of the Company’s healthcare services business in India to a wholly owned subsidiary of the Investor for a consideration of USD 449 mn, subject to such adjustments as may be mutually agreed between the parties;
- (ii) sale of Company’s branch office in Philippines to a branch office of the Investor in Philippines for a consideration of ~USD 109 mn;



- (iii) a slump sale of the healthcare services business conducted by HGS Jamaica (a subsidiary of the Company) to a wholly owned subsidiary of the Investor for a consideration of USD ~86 mn; and
- (iv) sale of the U.S. healthcare services business, comprising:
  - (a) the entire shareholding in the US Companies; and
  - (b) certain assets, employees and contracts of Hinduja Global Solutions Inc., HGS (USA) LLC and Hinduja Global Solutions UK Limited relating to the healthcare services business, which may be implemented through an internal reorganisation resulting in the foregoing being held by a new company to be incorporated in Delaware ('US NewCo'), and the sale of all of the share in US NewCo to the Investor, or in another manner as may be agreed with the Investor for an aggregate consideration of USD 556 mn, subject to certain adjustments as may be mutually agreed in respect of the US, Philippines and Jamaica.

#### **'Proposed Transaction'**

The terms of the Proposed Transaction are set out in the agreements executed by the Company and its subsidiaries with the Investor and its affiliates, including a master framework agreement between the Company, HGS International, Mauritius ('HGS Mauritius'), HGS Jamaica and the Investor and other agreements relating thereto. The master framework agreement sets out the framework for the overall transaction and specifies, amongst other matters, conditions precedent, standstill obligations, non-solicit and non-compete covenants and warranties for specified matters in relation to the transaction. The parties have also entered into local transfer agreements for sale of the healthcare services business in India, Philippines, Jamaica and the United States. The Company and its affiliates have agreed to provide warranties and indemnities to the Investor and its affiliates in respect of specified matters. Additionally, on conclusion of the Proposed Transaction, the Company and its subsidiaries will provide certain transition services (including technical support and a limited brand license) to the Investor and its subsidiaries for a limited period on terms mutually agreed. Certain Investor affiliates have provided letters supporting the Investor's

obligations to fund the consideration payable as part of the Proposed Transaction and certain promoters of the Company have provided undertakings to vote in favour of the Proposed Transaction. Prior to the Proposed Transaction, the Company and/or its branch office and/or its subsidiaries will segregate their healthcare services business from their non-healthcare services business.

The consideration has been determined based on discounted cash flow. The Company has obtained and relied upon valuation reports from KPMG Valuation Services LLP dated July 31, 2021, separately for the India healthcare services business, Philippines healthcare services business, Jamaica healthcare services business and the US healthcare services business based on which the consideration payable for the Proposed Transaction has been approved and recommended by the Audit committee and approved by the Board of Directors on August 9, 2021.

The Board at its meeting held on August 9, 2021 has approved the Proposed Transaction and the execution, delivery and performance of the transaction documents, subject to the terms set out therein, including completion of conditions precedent and the approval of the shareholders of the Company and other regulatory and statutory authorities. The Board is of the opinion that the aforementioned proposal is in the best interest of the Company and hence, the Board recommends passing of the Special Resolution for the approval of the members of the Company.

The healthcare services business including the assets and liabilities of the Company is proposed to be transferred as a going concern on a 'slump sale' basis (as defined under Section 2(42C) of the Income-Tax Act, 1961) for a lump sum consideration, without values being assigned to individual assets and liabilities. In terms of Section 180(1)(a) of the Act, a Special Resolution of the Members of the company is required to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking (i.e. in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year) of the company. Given that the Proposed Transaction satisfies the tests set out in Section 180 of the Act, a Special Resolution of the Members is being sought for approval of

the Proposed Transaction. Assent or dissent for this resolution is being sought pursuant to remote e-voting by all the members, under the provisions of Section 110 of the Act read with applicable rules and the MCA Circulars.

In terms of Regulations 24(5) and (6) of the LODR Regulations, approval by way of a Special Resolution of the Members is also required in case of: (i) a disposal of shares of a material subsidiary of the Company, resulting in reduction of the Company's shareholding (on its own or together with other subsidiaries) to less than 50% shareholding in such subsidiary; or (ii) cessation of control over such a subsidiary; or (iii) sale, disposal and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year. HGS International, Mauritius, HGS (USA) LLC, USA, [a subsidiary of Hinduja Global Solutions Inc., USA], HGS Healthcare LLC [a subsidiary of HGS (USA) LLC, USA] and Hinduja Global Solutions UK Limited [a subsidiary of HGS International, Mauritius] are material subsidiaries of the Company for the purposes of the LODR Regulations. For segregation of the healthcare services business of

the Company as part of the Proposed Transaction, the direct and indirect ownership interest of HGS International, Mauritius and Hinduja Global Solutions Inc. in HGS Healthcare LLC, HGS AxisPoint Health LLC, HGS EBOS LLC and HGS Colibrium LLC is proposed to be transferred to the Investor or its subsidiaries. Accordingly, a Special Resolution of the Members is being sought under Regulation 24 of the LODR Regulations for approval of the Proposed Transaction.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except to the extent of their respective shareholding and/or their employment, if any, in the Company.

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

**Narendra Singh**  
**Company Secretary**  
**F4853**

Place : Mumbai  
Date : August 18, 2021

## ANNEXURE 'A' TO THE NOTICE

Information pursuant to the Regulation 30 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of Director seeking Reappointment

(Item Nos. 3 & 4 of the Notice)

Name of the Director	Mr. Yashodhan Madhusudan Kale
Date of Birth/ Age	November 4, 1947 – 73 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 reappointment.
Brief resume and nature of expertise in functional areas.	<p>Mr. Yashodhan Madhusudan Kale ('Mr. Kale') is FCA (England and Wales). He was President of ICAI in the year 1995 and was formerly Chairman of the Accounting Standards Committee (formerly called IASC) as India representative. Mr. Kale has considerable experience and expertise in various professional areas including Corporate Governance, Accounting, Auditing and Corporate Laws.</p> <p>Mr. Kale is the Group President Corporate Governance &amp; Development of Hinduja Group Limited and is associated with the Group for more than 18 years. He was a Director of reputed listed and other Companies within and outside the Hinduja Group. Mr. Kale was a Member of several committees appointed by the Government, Regulatory bodies and Chamber of Commerce, Viz., RBI, NSE, SEBI, Bombay Chamber of Commerce and Industry, etc.</p>
Relationship between Directors/ KMP inter-se.	None
Name of the listed companies in which the person holds Directorships. (excluding HGS)	None
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).	NIL
Number of meetings of the Board attended during the year 2020-21.	Attended Four Board Meetings of the Company.
Details of Shareholding of Non - Executive Director, including shareholding as a beneficial owner	NIL

## PROCEDURE FOR REMOTE E-VOTING:

- i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin Technologies Private Limited ('KFin'), on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii) Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been

enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their Mobile No. and e-mail ID with their DPs to access e-Voting facility.

- iii) The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

### A. Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

MODE of e-Voting	Through Depositories (Login Method)		Through Depository Participant (s)
	NSDL	CDSL	
Individual Shareholders holding securities in demat mode	<p>1) <b>User already registered for IDeAS facility:</b></p> <p>i) Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>ii) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</p> <p>iii) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</p> <p>iv) Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p>2) <b>Members not registered for IDeAS e-Services</b></p> <p>i) To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>ii) Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>iii) Proceed with completing the required fields.</p> <p>iv) Follow steps given in points 1</p> <p>3) <b>Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>i) Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>ii) Click on the icon "Login" which is available under 'Shareholder/Member' section.</p>	<p>1) <b>Existing Members who have opted for Easi/ Easiest</b></p> <p>i) Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii) Click on New System Myeasi</p> <p>iii) Login with your registered user id and password.</p> <p>iv) The Members will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal.</p> <p>v) Click on e-Voting service provider name to cast your vote.</p> <p>2) <b>Members not registered for Easi/ Easiest</b></p> <p>i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/Easi-Registration">https://web.cdslindia.com/myeasi/Registration/Easi-Registration</a></p> <p>ii) Proceed with completing the required fields.</p> <p>iii) Follow the steps given in point 1</p>	<p>i) You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-Voting facility.</p> <p>ii) Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>iii) Click on options available against company name or e-Voting service provider – KFinTech and you will be re-directed to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.</p>

MODE of e-Voting	Through Depositories (Login Method)		Through Depository Participant (s)
	NSDL	CDSL	
	<p>iii) A new screen will open. You will have to enter your User ID (i.e., your sixteen digit Demat Account No. held with NSDL), Password/OTP and verification code shown on the screen.</p> <p>iv) Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</p> <p>v) On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</p> <p>4) <b>For any technical assistance: Members may contact NSDL helpdesk by writing to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or calling the toll free no.: 18001020990 or 1800224430.</b></p>	<p>3) <b>Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>i) Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii) Provide your demat Account Number and PAN No.</p> <p>iii) System will authenticate Members by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>After successful authentication, Members will be provided links for the respective ESP, i.e. <b>KFintech</b> where the e-Voting is in progress.</p> <p>4) <b>For any technical assistance, Members may contact CDSL helpdesk by writing to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or calling at 022-23058738 or 022- 23058542-43.</b></p>	

**B. Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- a) Members whose email IDs are registered with the Company/ Depository Participants(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:**
- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
  - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, 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 KFintech for e-voting, you can use your existing User ID and password for casting the vote.
  - After entering these details appropriately, click on "LOGIN".
  - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (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 that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - You need to login again with the new credentials.
  - On successful login, the system will prompt you to select the "EVEN" i.e., "6184" and click on "Submit".
  - 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 "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.



- viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x) You may then 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 have voted on the resolution (s), 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 also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id rupal@csrdj.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_Even No."
- b) Members whose email IDs are not registered with the Company/ Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:**
- i) Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>
- Members 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, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- ii) Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto: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 AGM and the e-voting instructions.
  - iii) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

## INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC

Instructions for all the Members, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

- i) The remote e-Voting period commences on Sunday, September 19, 2021 at 9:00 a.m. (IST) and ends on Wednesday, September 22, 2021 at 5:00 p.m. (IST). During this period, Members/ Beneficial Owners of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Wednesday, September 15, 2021, may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

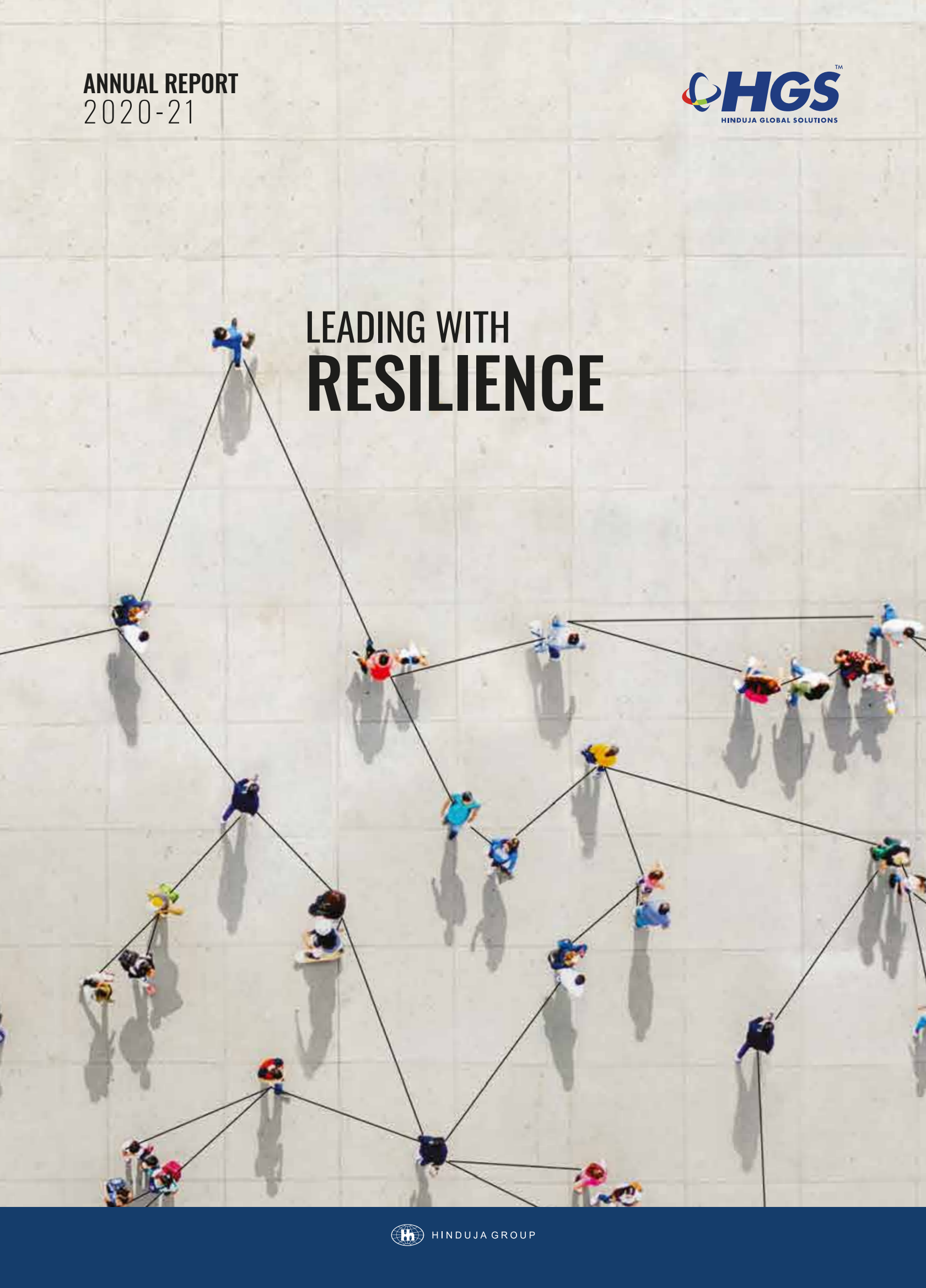
- ii) Member will be provided with a facility to attend the AGM through VC/ OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 above.
- iii) Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

- iv) Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- v) Members will be required to grant access to the webcam to enable VC/ OAVM. Further, Members 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.
- vi) As the AGM is being conducted through VC/ OAVM, for the smooth conduct of proceedings of the AGM, Members may express their views/ send their queries in advance mentioning their name, demat account number/ folio number, email id, mobile number at: [investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com). Questions/ queries received by the Company till September 21, 2021 shall only be considered and responded during the AGM.
- vii) The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/ OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- viii) A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- ix) Facility of joining the AGM through VC/ OAVM shall be available for at least 2000 members on first come first served basis.

## GENERAL INSTRUCTIONS

- i) **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from September 19, 2021 to September 22, 2021. Those Members who have registered themselves as a speaker will only be allowed to speak/ express their view/ ask questions during the AGM provided they hold shares as on the cut-off date. The Company reserves the right to restrict the number of speaker, depending on the availability of time for the AGM.
- ii) 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> (KFintech Website) or contact at [investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com), or Mr. Prem Kumar Nair KV, Manager – Corporate Registry, KFIN Technologies Private Limited Selenium, Tower B, Plot No. 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at email id [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFin's toll free No. 1-800-309-4001 for any further clarifications.
- iii) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- iv) In case a person (a person holding shares in physical mode and non-individual holders) has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - a) 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
  1. Example for NSDL:
  2. MYEPWD <SPACE> IN12345612345678
  3. Example for CDSL:
  4. MYEPWD <SPACE> 1402345612345678
  5. Example for Physical:
  6. MYEPWD <SPACE> XXXX1234567890
  - b) 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.
  - c) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- v) 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 2 working days 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.
- vi) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.teamhgs.com](http://www.teamhgs.com) and on the website of KFin at <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.

LEADING WITH  
**RESILIENCE**





## LEADING WITH RESILIENCE

At HGS, we are always ready to handle any kind of business challenge or a crisis. We believe that the true test of our leadership and preparedness is when adversity strikes us. As the impact of the COVID-19 pandemic set in over the last year – affecting our communities, clients and our business, we sprang into action. From ensuring business continuity, deploying advanced tech solutions, to managing the well-being of our people, our resilience showed us the path to deal with the unprecedented challenge before us.

The theme of this year's annual report revolves around resilience... about being focused on overcoming the challenge by rallying our global resources, being flexible and innovative in our approach and having a solution-oriented mind-set. Our 'better than expected' performance across every key area and continued strong client relationships are evidence of the fact that leading with resilience has paved the way for our success in this tumultuous year.



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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

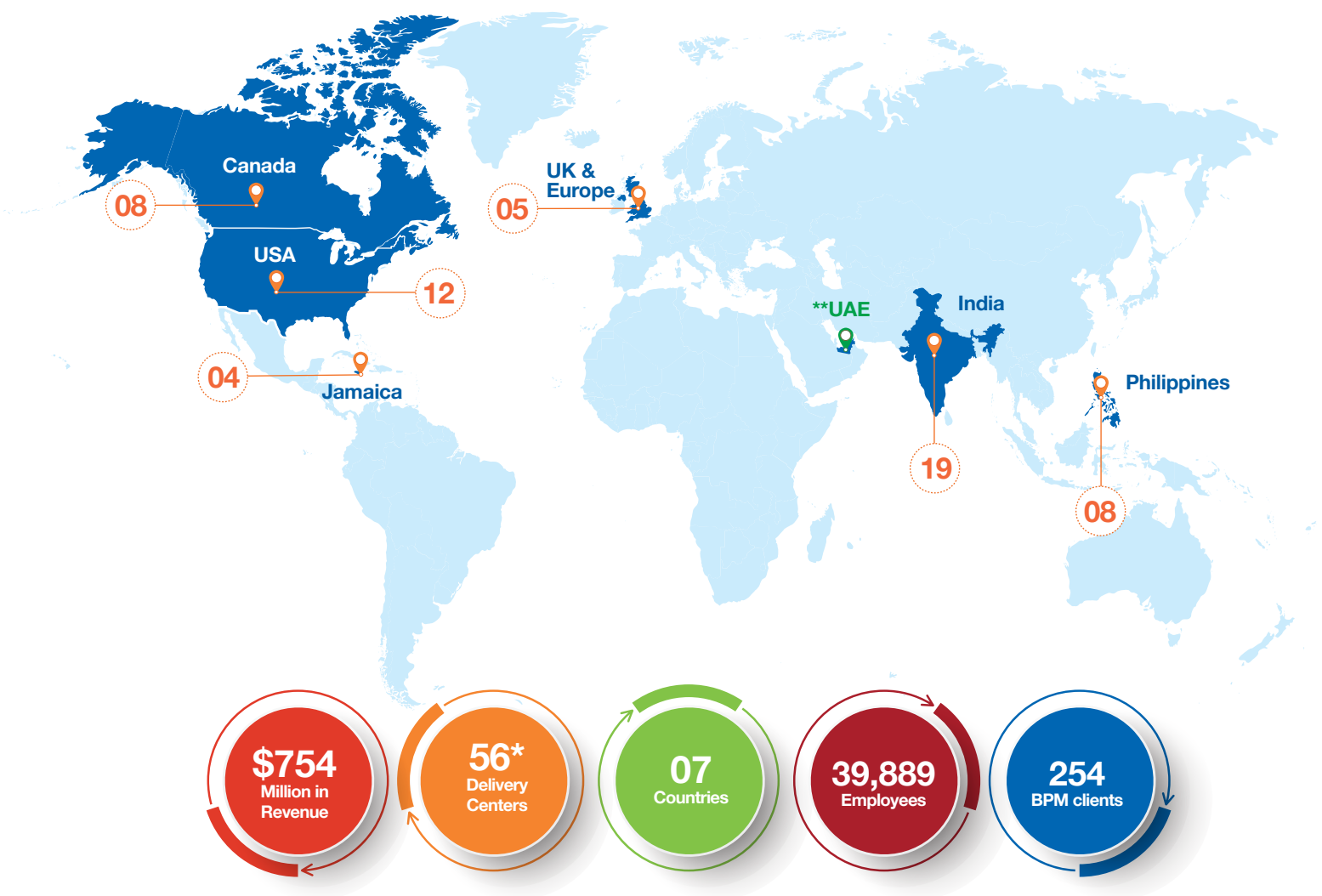
Integrity is the cornerstone of all our dealings - be it with our employees, customers, suppliers, government or the communities we serve.

# 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, 2021

\*\*UAE Office

# HGS AT A GLANCE

**4.5 BN**  
annual voice mins

**325K**  
annual chat sessions

**150+ MN**  
Healthcare experiences managed

Our Services Areas:  
**Healthcare | Customer Experience (CX) | Digital**

Cater to **09** verticals | **34** languages supported globally

**60%** of our revenue comes from long tenured clients (**10 yrs+**)

Diversified employee profile:

Includes **600+** Digital experts, **1,100** Nurses globally

Diversity & Inclusion at HGS (India):

**45%** Women employees, up from **27%** in 2014

**5-year** Revenue CAGR @ **10.9%**

**5-year** PAT CAGR @ **27.2%**



# BOARD OF DIRECTORS

Hinduja Global Solutions Limited



Mr. Ashok P. Hinduja

Chairman Emeritus



Mr. 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)

## CHAIRMAN'S MESSAGE

Dear Shareholders,

On August 9, 2021, the Board of Directors of your Company approved the sale of the Company's Healthcare Services business (which accounts for around 53% of FY 2021 Revenues) to funds affiliated to Baring Private Equity Asia, for an aggregate enterprise value of US\$ 1,200 million, at a valuation of 3x the FY 2021 revenues. The transaction showcases the enormous value created by the Healthcare Services business over the last two decades and we expect all our stakeholders to benefit from this value unlocking, that will shortly

fetch for you Shareholders a humongous value of US\$ 1,200 million.

Not content to rest on these laurels, the same talented team is now spurred to navigate other verticals towards an equally prosperous future by focusing on strengthening its Consumer Engagement Solutions (CES), Digital and HRO / Payroll businesses, that support several top global brands across its nine verticals, through a combination of expansionist organic growth and acquisitions. Services to healthcare clients delivered by HGS Digital and HRO / Payroll businesses will continue to



“I continue to be optimistic of the future, not only due to the collaboration, empathy and support evinced to date, but because, these testing times have demonstrated HGS’ core as capable of adapting to expectations of an outlandish environment...”

be part of HGS’ portfolio.

For removal of doubt, your company now contemplates forays into the digitalizing New World with the same devout patience, endurance, and passion that was lavished in the discovery and development of the title deeds of our great inheritance in healthcare sector, which you see has resulted in such conspicuous value creation.

have revealed a great deal about the human capacity to adjust and evolve in a crisis, effectively changing the way the world works in nearly all areas for the foreseeable future. I continue to be optimistic of the future, not only due to the collaboration, empathy and support evinced to date, but because, these testing times have demonstrated HGS’ core as capable of adapting to expectations of an outlandish environment, and so proved that HGS’ interior is as functional as its exterior is exquisite, in terms of performance and reportable numbers.

Indeed, withstanding an unprecedented stress is a true measure for the HGS Shareholders that their Company is an edifice, not built on crutches of assumptions of favorable paradigms, but is truly a three-dimensional investment which stands out in defiance of adversity, with an ineradicable instinct of independence, more akin to a mathematical model than a dissoluble dream. The goal to drive sustainable growth in the past year and a half did not falter amid challenges, and TeamHGS’ response towards the crisis globally has been strategic and rapid. Our portfolio mix, momentum in client wins paired with excellent CSAT scores, transition to Work@Home for business continuity and adoption of technology internally contributed to results that exceeded all expectations.

### Accelerating Growth as HGS 2.0

As we continue to strengthen HGS 2.0 as a digitally-enabled customer experience company, we have been investing steadily in building up our domain expertise and capabilities. While sustaining our position as market leaders in our traditional verticals, we are broadening our focus to digital-led offerings. Leveraging the HGS Digital brand that was established in FY2020, we have been supporting clients with end-to-end business processes and customer experience requirements, strengthened by the added layer of technology capabilities. Your company is building customized solutions in Automation, Artificial Intelligence (AI), Analytics and Cloud, to drive growth.

The global BPM market continues to evolve and grow, although the composition of services is

We desire beyond all things to stand well with our Shareholders, and there is no substitute for the Annual Results to which all achievements must look, because these financials, a matter of durable record, speak for themselves the most indisputable and un-distilled truth, having delivered double-digit growth in revenues, EBITDA and profit after tax, across verticals. On like-to-like (consolidated) basis, your Company recorded a revenue growth of 14.6% YoY to reach ₹55,889 million (US\$ 753.9 million) in FY2021. EBITDA increased by 16% YoY to ₹7,734 million and margins of 13.8%. PAT has been exceptional this year, growing by 63.4% YoY to ₹3,361 million – a record high. We also took actions to enhance our financial position by increasing our free cash flows while FY2021 EPS stood at ₹161. HGSL’ Board doubled the total dividend to ₹40 per share for FY2021 as compared to FY2020. As explained, these numbers have been achieved in spite of circumstances, rather than because of circumstances.

The world is still experiencing disruption as a result of the global pandemic, an event of unprecedented proportions least anticipated. The last 18 months

changing towards a consumer-centric approach and experience. Your Company is evolving alongside these global trends, with a focus on managing high-end voice and human-machine engagements and becoming a solution orchestrator.

Given the rapid acceleration and scaling up of digitalization across industries around the world, HGS has continued to enable its clients to become more competitive as they build and maintain relationships with their consumers. So, we move from the season of integration already accomplished to the zone of ambition & uplift, and we do so United in comradeship, comprehension and sympathy with our clients, employees and all stakeholders.

Whatever road your Company takes, it shall be a triumphant road.

### Beyond Business

HGS remains inspired by the principles of Shri. P.D. Hinduja, the founder of Hinduja Group, whose life experiences symbolize a distillation & flavor of the decades over which the Group was built on strong values which continue to be relevant for the success of your Company. A reference to earlier stalwarts warrant underscoring the extraordinary value recognized in earlier contributions from the rich and varied experience of our Chairman Emeritus Mr. A. P. Hinduja, who continues to guide your company whenever requested, in a reaffirmation of those invaluable entrepreneurial insights to which must be attributed the present greatness of HGS.

Your Company continues to garner recognition and accolades from third party organizations and industry bodies for its solutioning capabilities, impact created for clients, people practices and CSR initiatives. HGS' various initiatives and practices for the people and local communities, including employee volunteering, have undergone significant changes operationally in the new normal. HGS has ensured that virtual transitions for all stakeholders have been seamless and agile during the crisis, which is a true measure of our resilience as an organization. Through the crisis, we have also been able to extend monetary and other support to local governments in India and

the community, as we continue practicing the CSR philosophy of 'Work to give for a better tomorrow.' Such programmes, like all things dearest to the heart, are apt to be praised little, and faulted lavishly, with corporates assigned sole responsibility for omissions that irk, and inclusions that fail to please. But, HGS' CSR work will stand out as an exception when scribes make a durable record of CSR throughout the corporate world.

As the world is adjusting to the post-pandemic normal, the needs of our clients and their customers are ever evolving, and digital usage continues to accelerate. HGS will continue to lead with all requisite resilience, irrespective of ups and downs, as encapsulated in a famous Mahabharata couplet:

उदयेति सविता ताम्रः , ताम्रश्चैव अस्तमयेति च ।  
सम्पत्तौ च विपत्तौ , महताम् एकरूपता ॥

(Rising and setting Sun looks alike.

So do great institutions in ups & downs.)

Finally, how can I sufficiently thank HGS' Shareholders, Board Members, Senior Management, Officials and Staff, Bankers and Auditors, etc., because aforesaid philosophy of resilience would not have been possible without toil, imagination, and continuous, perhaps unnoticed, vital support that preceded the attainments. So far as exertions can avail, no trifle, no secondary consideration, was allowed to stand in the way of unbroken fulfilment of HGS' mission, and its true reward is not only pecuniary, but the un-purchasable and therefore dearly prized acknowledgement of all those named above, bound together by the most far-reaching robust ties of a common devotion, and of course, the Verdict of Posterity.

**Yours sincerely,**

**Yashodhan Madhusudan Kale**  
Chairman

August 18, 2021





Solutions providers  
at heart.  
Customer first  
in practice.

# CEO'S MESSAGE

“Our strategy is to realign as HGS 2.0, a digitally-enabled CX company, and leverage digital possibilities around the two biggest growth areas – technology and data – to create enhanced value for our clients.”



## Dear Shareholders,

I am pleased to share with you that HGS has continued on its double-digit growth path in FY2021. Your Company clocked this successful milestone despite the business disruption caused by COVID-19. I am very proud of how TeamHGS overcame this phase by converting challenges into opportunities.

## Here are some key highlights for FY2021 –

- Our revenue grew to ₹ 55,889 million or US\$ 754 million.
- Our EBITDA stood at ₹ 7,734 million while PAT was our highest-ever at ₹ 3,361 million.
- Our customer satisfaction (CSAT) and employee satisfaction (ESAT) scores were at an all-time high.

When the first wave of the pandemic hit the world, the key factor that helped us mitigate its impact was the agility with which we deployed our Work@Home solution and shifted a significant part of our people to the safety of their homes. This was possible because we already had an existing Work@Home model for a few clients in Canada. We leveraged that expertise to roll out this model globally for most of our clients. By June 2020, we had recovered a significant part of our productive capacity to support our clients.

Your Company's priority since the onset of the pandemic has been the safety and well-being of our people. Once we shifted the infrastructure into employees' homes, the next challenge was to create a virtual workspace that facilitated productivity and inclusion. We leveraged technology to drive our programs such as hiring, training and delivery, as well as redesigned our engagement initiatives to focus on holistic wellness to reach our employees in various locations. This has sustained our employee morale and productivity. Through the challenges, our teams have continued to live the HGS values, reinforcing our commitment to our clients with a can-do spirit. Even as we have been working remotely, our response to the crisis has brought together the One HGS culture and spirit, and this has been a stellar example of who we are as an organization.

This year, we have seen strong performances across healthcare, customer engagement services (CES) and HGS Digital businesses, and all our geographies. Our UK business was a stand-out with a robust revenue growth of 60.7%, led by the public sector vertical and a shift to delivery through cloud telephony. With significant growth in volume, diversity of offerings and revenue, HGS UK is now our third largest market. Our margin profile has also significantly improved because of a combination of internal and external factors.



# CEO'S MESSAGE

Given that most of our workforce moved to remote environments, we have seen massive cost savings of nearly US\$ 5.6 million in FY2021.

Both private and government clients have increased their focus on digital-led customer experience transformation and pandemic-related projects. We have seen big wins in key verticals such as healthcare, retail and the public sector (especially in the UK) for our services. We added 48 new clients for BPM services and 22 for HRO/ Payroll in FY2021, the highest-ever number in a single year.

Our services channel mix continues to evolve, with Digital CRM revenues growing steadily. Digital CRM services accounted for 8.8% of overall revenue in FY2021, more than double the 3.5% revenue contribution in 2018 when Element Solutions LLC (now known as HGS Digital LLC) was acquired. We continue to garner more business in digital areas such as digital experience, digital engagement, data and analytics, intelligent automation and cloud services.

Despite a pandemic-induced challenging first quarter, we not only survived but also managed to thrive in this exceptional year. In recognition of this superior performance, HGS' Board has announced a total dividend of ₹ 40 per share, including special dividend of ₹ 15 per share, for FY2021.

HGS is also committed to the welfare of the communities where we operate. Deeply inspired by Hinduja Group Founder Shri. Parmanand Deepchand Hinduja's beliefs, our Corporate Social Responsibility (CSR) philosophy is 'Work to give for a better tomorrow.' Your Company has continued to identify opportunities for COVID-19 interventions in local communities over the year. Through our CSR

programs and remote employee volunteering of more than 50,000 hours, we have positively influenced more than 2,10,000 beneficiaries globally.

## HGS' 'New Normal' Strategy

Today, irrespective of the industry you are in or the size of the company, adoption of new digital technologies is critical to navigate change and succeed. According to analyst firm IDC, direct digital transformation investment is growing at a CAGR of 15.5% from 2020 to 2023 and is expected to touch \$6.8 trillion as companies build on existing strategies and investments to become digital-at-scale future enterprises.

What does this mean for HGS? As a customer experience (CX) transformation partner to over 960 top brands globally, we are investing in areas that can help them succeed in a fast-evolving market. Our strategy is to realign as HGS 2.0, a digitally-enabled CX company, and leverage digital possibilities around the two biggest growth areas – technology and data - to create enhanced value for our clients. In line with this, we continue to make significant investments in strengthening our domain expertise and deploy the latest technologies such as 3As (automation, analytics & artificial intelligence) and Cloud to expand our services portfolio.

We deployed our Work@Home solution globally in a short period of time in FY2021. Leveraging the Cloud helped us scale faster, shifting most of our business and people operations virtually. The cloud model is subscription based and is therefore low on capital intensity. It also gives us greater flexibility to match supply with demand. We believe 'working from anywhere' is the working model of the future. Looking

# CEO'S MESSAGE

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ahead, we will adopt a hybrid working model, combining both remote and on-premise operations to optimize costs and reliability.

In August 2021, HGS announced that it has entered into definitive agreements to divest its Healthcare Services business to funds affiliated with Baring Private Equity Asia (BPEA), one of the largest private alternative investment firms in Asia. The transaction is based on an enterprise value of US\$ 1,200 million, subject to closing adjustments and shareholder and other regulatory approvals. The rationale for this transaction is to unlock value for all HGS stakeholders. We intend to use the generated funds to strategically invest for our future growth, where we will focus on aggressively expanding our CES and Digital businesses, in line with the HGS 2.0 goal.

## Annual Report theme – Leading with Resilience

Our Annual Report theme this year draws on how TeamHGS has risen amid the pandemic crisis to continue our support to our clients, their customers, our people, our communities and our shareholders. We have led with resilience by focusing on overcoming the challenges by rallying our global resources, being flexible and innovative in our approach, and having a solution-oriented mindset.

The results we have seen across CSAT, ESAT and our superior financials reaffirm our belief that alignment of these factors are highly critical for our continued success. This alignment would not have been possible without the active support and efforts our employees towards our shared goals. My key takeaway from FY2021 remains that our employees, clients and shareholders are three connected dots, and it reaffirms my belief that people are ultimately at the heart of what we do at HGS.

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

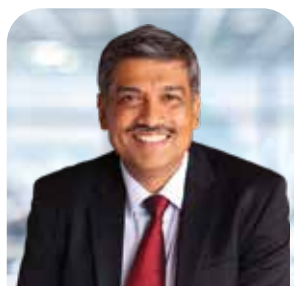
**Yours sincerely,**

**Partha DeSarkar**

Global CEO and Whole-time Director  
Hinduja Global Solutions

**August 18, 2021**

# MANAGEMENT TEAM



**Partha DeSarkar**

Global CEO



**Srinivas Palakodeti**

Global CFO



**Narendra Singh\***

Senior Vice President and  
Company Secretary



**Adam Foster**

CEO  
HGS Europe



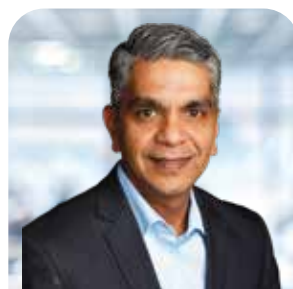
**Narasimha Murthy**

President  
North America & Jamaica



**Pushkar Misra**

President & CEO  
HGS Philippines



**Ramesh Gopalan**

President  
Global Healthcare & India



**Timothy Schuh**

President  
Digital Strategy



**Venkatesh Korla**

CEO  
HGS Digital



**Anthony Joseph**

President  
Strategic Initiatives



**Arpita Sen**

Executive Vice President  
Global Legal and Compliance



**Giridhar GV**

Executive Vice President  
Global Human Resources



**Natarajan Radhakrishnan**

President and Global CIO



**Santanu Nandi**

Senior Vice President  
Global Business Excellence



**Shilpa Sinha Harsh**

Senior Vice President  
Global Corporate Communications,  
D&I and CSR



**Subramanya C**

Global CTO & CEO MENA

Note: \* Narendra Singh was appointed Company Secretary effective from September 30, 2020. S. Mahadevan was EVP - Legal, Compliance and Company Secretary up to September 30, 2020.

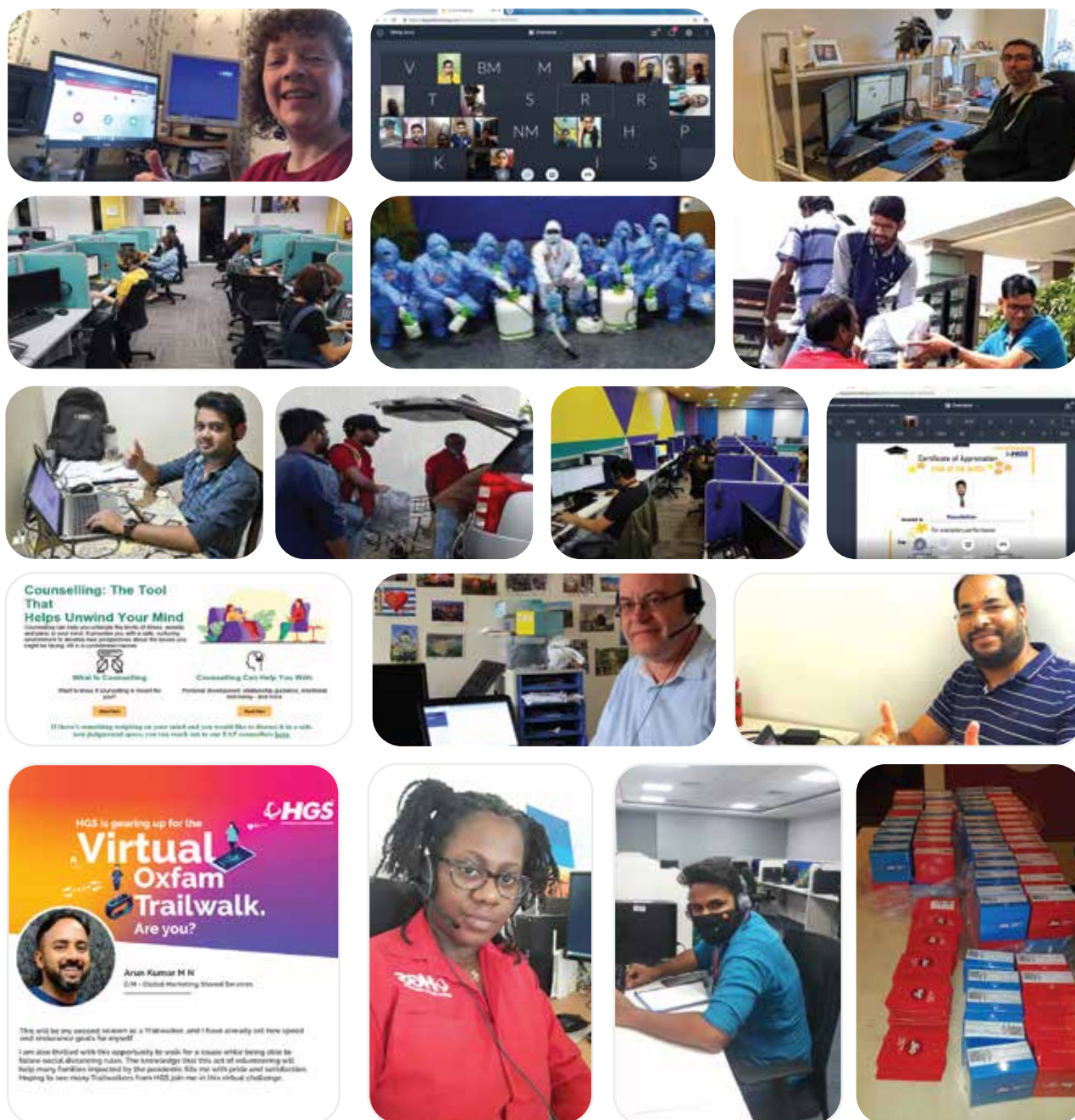


# HGS SHOWS ITS RESILIENCE DURING THE PANDEMIC

The COVID-19 pandemic has had a far-reaching impact on the world, and this has been profound for the BPM industry. At HGS, we have had to reimagine every aspect of how we operate as a business, both for our clients and our employees worldwide. Our operations have undergone tremendous shifts that have also had numerous payoffs as we have seen in FY2021. The sweeping change effected out of necessity has also enhanced our capability, as an organization, to adapt at speed with no adverse impact on business continuity. This has primarily been possible because of the collaborative spirit and strength in the face of adversity, demonstrated by our people at HGS worldwide. Here is an overview of how HGS responded to the COVID-19 pandemic.

## In Early FY2021

In the early months of the pandemic, our focus was primarily on enabling various infrastructure that supported our efforts in sustaining the experience for our clients, their customers, our employees and prospective employees.



# HGS SHOWS ITS RESILIENCE DURING THE PANDEMIC

## Ensuring Business Continuity and Employee Safety

Our first response amid the pandemic was to address the shift in our operations to sustain delivering results to our clients, while ensuring the safety and well-being of all our employees globally. We initiated a Split Operations model globally – employees whose roles allow for the option have been working from home, and employees who are required to come into offices have been doing so, amid extensive safety precautions practiced at our sites. The entire process has been in line with government guidelines on both national and local levels across all our geographies. This shift to remote work environments was undertaken with cross-functional and cross-geographic coordination – a majority of our Ops and Shared Services employees moved to working from home within a span of mere weeks! To ensure a smooth transition, we facilitated training, provision of new tools and remote support through self-service for our employees. This transition to the Work@Home model has seen tremendous success in not only its implementation, but also in its impact on the physical, mental and emotional well-being of our employees.

## Leveraging Innovation for Clients and Internal Operations

At HGS worldwide, our ingenuity has churned out best-in-class, customized business continuity and technology-enabled solutions to help lead our clients' businesses from surviving to thriving – 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 have also used technologies like AI, automation and analytics in a cloud-first model to drive greater efficiencies not only to support our clients but also our internal operations.

## Engaging Our People in the New Normal

At HGS, our people are our biggest assets, and their safety and well-being in these circumstances have been the foremost concern in our response to the global health crisis. Being part of a high-touch industry, consistent contact and communication among our employees globally has been a key characteristic of life at HGS historically. With the transition to remote environments, all our people-focused activities that were previously on-premise have made the virtual shift with great success – right from hiring, onboarding, training to employee engagement and communications. For all employees worldwide, we have established virtual touchpoints at multiple levels, and frequent communications to offer support where needed and to keep morale high. These

communications have also been reinforced on HGS' social media platforms to continue engaging, addressing concerns, and sustaining a great experience for both our employees and prospective employees.

Our robust Employee Assistance Programs have been highly beneficial for employees and their family members, who have been affected by COVID-19 and related stress either directly or indirectly. At HGS India, where we offer childcare support to employees, we have set up virtual engagement sessions for children, and also created a support network for working parents. At HGS Philippines, we created temporary stay-in-office accommodations with essential facilities for over 1,000 employees in adherence to mandates by local health authorities.

## Supporting the Community

HGS has remained hands-on with our support for the communities where we operate, across our geographies. Keeping with our spirit of 'Work to Give', we have contributed to our communities, both at organizational as well as individual levels, in multiple ways.

Last year, HGS leveraged its expertise in contact center services and 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 was set up to operate 24/7, supporting symptomatic reporting, information dissemination and counseling for distressed citizens. We have also leveraged our experience in nurse triage and advice 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 that was set up with our facilities and infrastructure in Bangalore to support the community in the fight against COVID-19. The system was critical in diverting some of the traffic from state hospitals, by counselling callers on general COVID-19 queries.

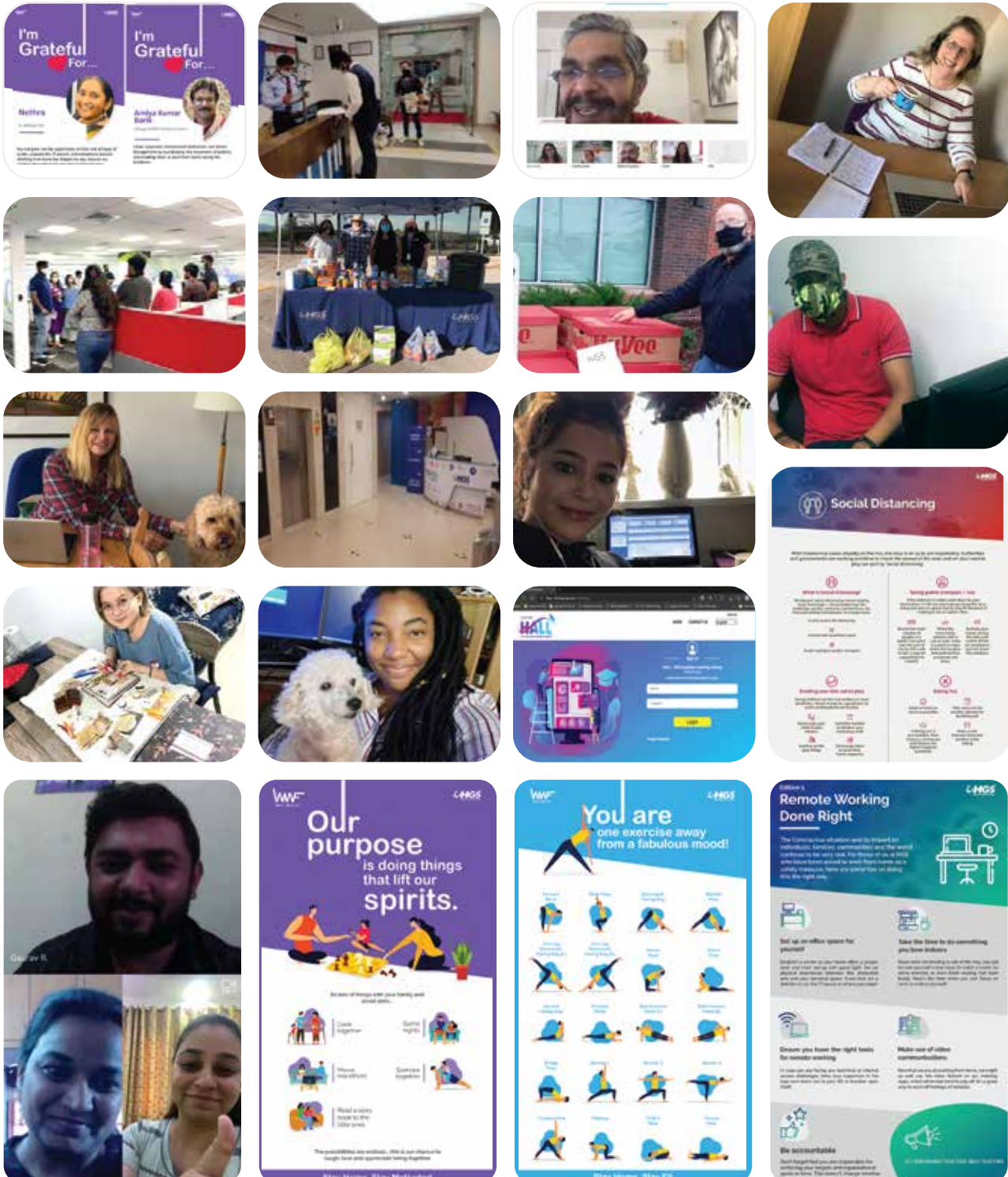
HGS has also extended medical support in India and Canada, helping hospitals with monetary contributions for their efforts in combating the pandemic. At HGS, employees and local sites have been actively involved in community efforts against the pandemic. Right from monetary contributions through fund raising, material contributions like donation of protective gear to frontline personnel and distribution of food and groceries to those in need, our people have been involved in numerous volunteering initiatives across India, Philippines and North America.



# HGS SHOWS ITS RESILIENCE DURING THE PANDEMIC

## In the Later Part of FY2021

Since mid-2020, virtual mode of operations and other organizational activities at HGS have grown to become business-as-usual, and this has largely contributed to the successful results we have delivered in the year. We have continued our focus on employee health, safety and wellbeing with many targeted initiatives, and we have also continued our support towards the communities where we operate. During the second wave of COVID-19 in the later part of the year, much of the infrastructure set up during the first wave played a key role in our response to the challenge.



# HGS SHOWS ITS RESILIENCE DURING THE PANDEMIC

## Technology-led Solutions for the New Normal

In early FY2021, we launched multiple technology-led solutions to change the way we operate as an organization and how we deliver to our clients. These changes have enabled us to continue adding value to our clients. COVID-19 has no doubt accelerated digital transformation at HGS worldwide. Across operations, learning and development, employee engagement and other business support processes, we leveraged a wide range of technologies such as AI, automation, analytics and cloud, and channels like websites and mobile apps to enable greater process efficiencies while ensuring great experience. For our clients, these applications have played a key role in the success of our delivery. Internally, these are enabling our shift towards a technology-enabled BPM organization.

## Supporting Holistic Employee Wellbeing

HGS, as part of continual efforts against the pandemic last year, focused on educating and building awareness among our employees worldwide on COVID-19, its symptoms, measures for prevention and care, and other relevant information. As part of this, we have also promoted remote physical wellness, both through free online sessions and employee communications. Personalized connects with HR, managers and peers have also been sustained, which have helped keep up employee motivation. We have been supporting affected employees and their families in many ways such as counselling and general health support through our Employee Assistance Programs, increased focus on employee mental wellness, HR support for affected employees to ease transition away from and back to

work, and vaccination support in some of our geographies depending on availability.

## Sustaining COVID-19 Interventions for Our Communities

HGS has been continuing our focus on COVID-19 interventions in the communities we operate in during the second wave of the pandemic, both at organizational and individual capacities. Through the two Government of Karnataka helplines being supported at our facilities, our volunteers have responded to over 3,00,000 calls, contributing more than 41,000 hours. Our employees in the UK and North America have made monetary donations in support of affected employees in India amid the second wave of COVID-19.

In numerous ways across our geographies, we have been able to come together in support of our employees, our clients and the community as One HGS. As a conscientious team, our people have truly demonstrated the HGS values in their response to the global health crisis. By bringing together our capabilities worldwide, we at HGS have been able to overcome arising challenges over the last year. In many ways, we have turned these challenges into opportunities for ourselves, with many learnings along the way. Today, HGS has evolved into a more future-ready and resilient organization.

# 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 FY2021, HGS was honored with several awards and accolades, some of which are mentioned below:



## IAOP 2021

2021 Impact Sourcing  
Company to Watch



Training Magazine

## Winner

2021 Training Top 100



TMC

## Winner

2020 CUSTOMER Experience  
Innovation Award



**Globe® Business Awards**

BUSINESS AWARDS FOR EVERY INDUSTRY IN THE WORLD

12th Annual 2020 Golden  
Bridge Business and  
Innovation Awards

## Silver

Innovative in the  
'Business Products'



TMC Cloud Computing  
Magazine

## Winner

The Cloud Computing  
Excellence Award



American Business  
Stevie Award

## Silver

2020 Customer Service  
Team of the Year



IMEA Partner Awards -  
Automation Anywhere

## Winner

Innovation Partner of the Year –  
Payer Segment – India



IAOP 2020

## Winner

Excellence in Strategic  
Partnerships



BI Group - Excellence  
in Customer Service

## Winner

Outsource Partner  
of the Year

# INDUSTRY RECOGNITION



DivHERsity Awards 2021 - JobsForHer

## Winner

- Top 20 Most Innovative Practices - Women L&D Programs
- Top 20 Most Innovative Practices - DivHERsity programs



Global HR Excellence Awards 2021

## Winner

- Transition to Virtual Workplace – HR Lens
- Best CSR Practice



Learning  
& Organization  
Development  
R O U N D T A B L E

Learning and Organization Development Roundtable (LNOD)

## Winner

Inclusion of People with Disabilities

## First Runner's Up

Best D&I company of the year

## First Runner's Up

Best D&I Initiative award category -Inclusion of LGBTQIA

## Second Runner's Up

Best D&I Award for Gender Diversity and Empowerment

glassdoor

Glassdoor

## Winner

Best BPO In Jamaica &  
7th Best Employer in Jamaica

# ANALYST RECOGNITION



- “Major Contender” In Customer Experience Management (CXM) Service Provider Landscape with PEAK Matrix® Assessment 2020
- “Aspirants” In Work at Home Agent CXM – Service Provider Landscape with Services PEAK Matrix® Assessment 2021
- “Aspirants” In Trust and Safety – Content Moderation Services PEAK Matrix® Assessment 2021
- Included in the Everest Group BPS Top 50™ 2020 list
- “Star Performer” and “Major Contender” in Healthcare Payer Operations – Services PEAK Matrix® Assessment 2020
- Major Contender in Revenue Cycle Management (RCM) Operations Services PEAK Matrix® Assessment 2020



- Leader in Social Media CX Services NEAT 2020
- Leader in CX Services in Telecom & Media NEAT 2020



- “Leaders” in ISG Provider Lens™ ‘Contact Center – Customer Experience Services – Global 2020’
- “Booming 15 – Service & Technology Provider Standouts – EMEA” in the ISG Index™ Global Sourcing and As-a-Service Market Insights for Q1, Q2 & Q4 2020
- “Booming 15 – Service & Technology Provider Standouts – Global & EMEA” in the ISG Index™ Global Sourcing and As-a-Service Market Insights for Q3 2020



- 2020 Best Practices Customer Value Leadership Award in Social Media Consulting & Brand Management for North America



- Included in the “Top 10 Healthcare Sector Service Providers” report



# DRIVING RESULTS. CONSISTENTLY. FOR OUR CLIENTS



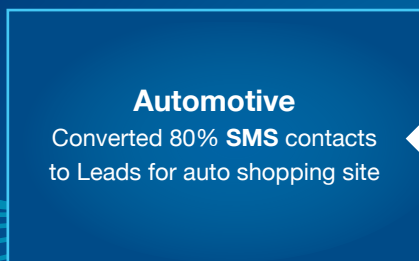
## Technology

Achieved 97% issue resolution rate using **Self Help**



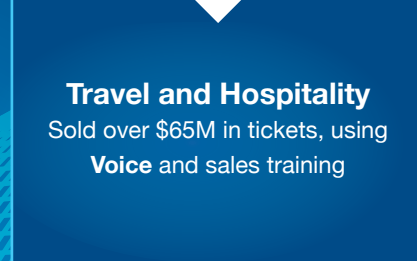
## Travel and Hospitality

Sold over \$65M in tickets, using **Voice** and sales training



## Automotive

Converted 80% **SMS** contacts to Leads for auto shopping site



## Consumer Goods

Increased sales by 40% using **Chat** for cart abandonment



## Public Sector

Improved collections by 43% using **Retention Strategy Effort**



## Healthcare

Recovered \$140M using **Automation** and **Clinical Expertise**



## Retail and eCommerce

Saved \$1.4M in 3 months using **AI & Automation** for **Social media**



## Telecom

Achieved a 90% FCR by **Process Re-Engineering**



## Financial

Reduced payroll cycle time by 65% using **HRO**

# WHAT OUR CLIENTS SAY ABOUT US

HGS takes pride in providing superior and seamless customer experiences to our clients globally. A good indicator of the value we add is their constructive feedback gained through customer dialogue. We have received several messages from our clients appreciating our contribution to their success in FY2021. Below is a sampling of them across geographies and verticals:

## Leading Healthcare Company

HGS' strong professionalism, high quality focus, leadership development, and collaborative approach are our key takeaways from our enduring partnership with them over the years. They have leveraged automation and other new emerging technologies to drive successful productivity and process enhancements. In the last year amid COVID-19-related challenges, their rapid transition to remote working environments without any impact on our business have exceeded expectations.

### Sr. Vice President

Delivery - India, Philippines



## US Healthcare Organization

HGS continually steps up with new ideas and their deep domain expertise to help us make informed decisions. The communication between teams is great, and the teams and the management make multifold efforts for the requisite results."

### Associate Director

Delivery - US, Philippines



## Public Sector Company in the UK

We have a great partnership with HGS, and we really appreciate the overall relationship management and service delivery. The team has shown tremendous flexibility in responding to changing needs and environment conditions.

Service delivery, flexibility in responding to changing customer needs and environmental conditions are handled very well by HGS. As is the overall relationship management.

### Executive Director

Delivery - UK



## Leading BFS Company

The HGS team is very committed to our partnership, and this shows in how we collaborate. Their strong understanding of our business needs has been a great enabler, especially in these challenging times.

### Director

Delivery - US, Philippines



## Public Sector Corporation in Canada

There has been great collaboration between our teams, and HGS has been an ideal partner. We really appreciate the culture at HGS with a true focus on the client, and a collaborative leadership structure throughout the organization. Every role is clear and works in tandem with one another, which really reinforces the value of the relationships we have built together."

### Senior Director

Delivery - Canada



## Fortune 100 Healthcare Company

HGS has forged an outstanding and critical partnership with us over the years, and this year has certainly underscored their tremendous commitment to deliver results. They have always demonstrated high responsiveness to business needs, excellent execution at speed, and adherence, while ensuring high quality results. Any changes in requirements are always met with positivity and willingness by everyone at HGS, to do whatever it may take to be successful and this was of big help during our COVID-19 response.

### Sr. Vice President

Delivery - India, Philippines, Jamaica and US



# WHAT OUR CLIENTS SAY ABOUT US

## Leading BFSI Company in Jamaica

We are creating value for our customers with the support of the HGS Digital team, who are excellent partners in our journey towards our goal. Our operational reviews are always concise and include clear indication of trends for escalation. Their overall workforce management, right from engagement, welfare, training and performance management, is also exceptional.

**Director**  
Delivery - Jamaica



## Leading US Health Insurance Organization

It has been a fantastic experience working with the HGS team in the course of our engagement. The teams we engage with are sharp, keep open lines of communications, and translate all requirements to the technical teams, all while ensuring delivery timeframes are met.

**Director**  
Delivery - US



## Leading Telecommunications Company in Canada

HGS has a very strong team of operational leaders, right from the team leaders, operations managers, and site directors. They understand where the focus needs to be, the importance of quality, and the frequency of coaching. The team is open to feedback, and their approach to finding new and/or better ways to do things is always proactive.

**Manager – Call Centre Operations**  
Delivery - Canada



## Top US Healthcare Payer

HGS makes an effort to partner with our team at all levels. They display a willingness to be flexible and shift priorities/focus in a rapid manner, with a solid sense of urgency. In the last year, the HGS team has proven their mettle with the quick shift to WFH, while also making fixes to arising challenges. The expertise they bring to the table makes for a brilliant engagement and partnership.

**Director**  
Delivery - India, Philippines, US



## US-based SaaS Company

HGS is excellent at understanding the business and operating independently, while still getting in touch when input or direction is needed. It is a delicate balance that HGS has mastered. The team we engage with is highly responsive with impressive self-management and has a great understanding of our perspective. We have solid advocates for our brand in the HGS team, and we have complete faith in them.

**Director**  
Delivery - US, Philippines



## US Software Company

HGS has a strong hold on account management with significant industry knowledge and the desire to help our business. They take a very nimble approach when we need to adjust to volume fluctuations, new processes and/or issue management. The team is very responsive and have handled the COVID-19 transitions to WFH extremely well with very little impact to our customer base.

**AVP – Client Care**  
Delivery - India, Philippines





# OUR COMMUNITY INITIATIVES

At HGS, we are committed to the welfare of the communities where we operate. Corporate Social Responsibility (CSR) is deeply rooted in the passionate belief of Hinduja Group Founder Shri Parmanand Deepchand Hinduja – “My dharma is to work, so that I can give.” Inspired by this, our CSR philosophy is Work to give for a better tomorrow. The focus of our social outreach ranges across education, skill development of youth and persons with disabilities (PwDs), healthcare, water, and now COVID-19 relief work. Here is a glimpse of our initiatives in support of our communities worldwide:

## HGS Corporate CSR Programs

Through our CSR programs, we reach out to the marginalized and vulnerable sections of society to address their most pressing developmental needs. These programs are designed to systematically solve core issues that hinder the progress of a community by focusing on the following areas:



# OUR COMMUNITY INITIATIVES

## EDUCATION

HGS focuses on providing all children the opportunity to access holistic education, while also enhancing their health and nutrition. To this end, we distribute mid-day meals and enable higher education through scholarships. We also facilitate technology-led learning and provide remedial education. We have supported over 60,000 students this year in India. Additionally, we have engaged in teaching training, scholastic and non-scholastic support for children in marginalized communities, and financial aid for meritorious students.

## SKILL DEVELOPMENT

We focus on empowering marginalized youth and persons with disabilities (PwDs) by providing them with the opportunity to learn market-driven skills and achieve financial independence for a better quality of life. Our programs offer training in domains, vocations, and soft skills for the groups in focus. We have trained over 2,500 underserved youth and persons with disabilities through these initiatives, over the years.

## HEALTHCARE

Our projects undertaken in this focus area are driven by the vision of providing quality and accessible healthcare to all. This includes facilitating healthcare for remote, rural communities through a mobile unit and supporting treatment of MDR – tuberculosis patients from lower socio-economic backgrounds. The Advanced Mobile Healthcare Unit (AMHU) that we have been supporting in partnership with P. D. Hinduja Hospital has been providing beneficiaries with free healthcare for over three years now. In FY2021, our efforts in accessible healthcare for our communities has also extended to support COVID-19 interventions. Over 50,000 people have been treated through these different initiatives, so far.

## WATER

At HGS, our focus on water includes both clean drinking water and water conservation. We have committed to providing clean and safe drinking water to 10,000+ school students every day. We have also undertaken large-scale lake restoration projects for the benefit of local ecosystems in India.

## COVID-19 RELIEF WORK

With the onset of the COVID-19 pandemic, HGS sprang into action to support our communities with arising challenges. We supported the setting up of ICU wards and procurement of medical equipment at select hospitals to treat patients with COVID-19. We also provided over 30,000 safety masks to city police and other frontline workers in Bangalore, India. Apart from that, we distributed COVID-19 care kits which included prescriptive medicines to patients in home isolation.



# OUR COMMUNITY INITIATIVES

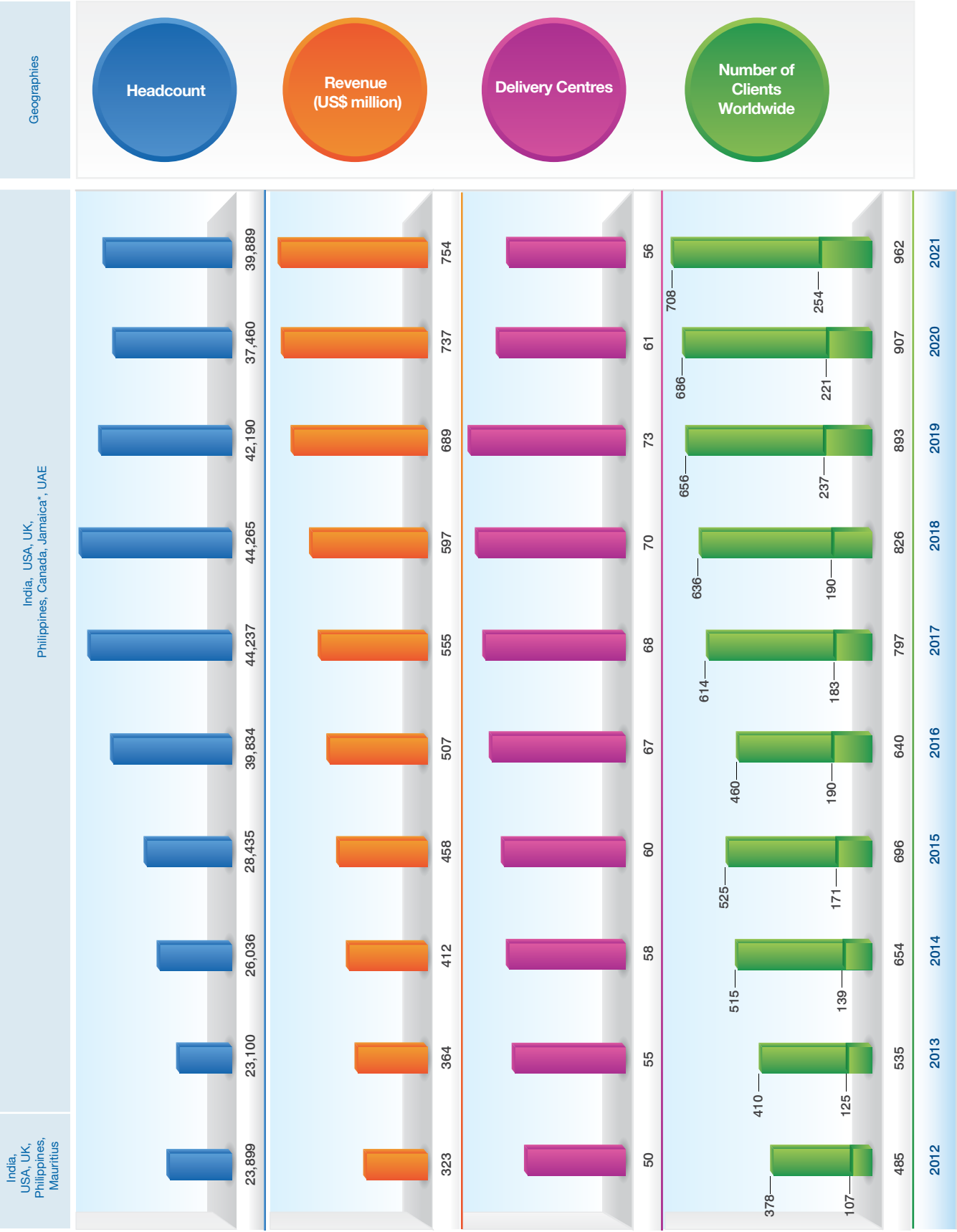
CSR is an integral part of HGS' culture and way of life. Our people volunteer whole-heartedly for various social causes every year under the **'Work to Give'** program, which enables employees to contribute their time and skills to our communities. We support around 32 non-profit and charitable organizations across our locations in India, Philippines, Jamaica, the US, Canada and the UK. The Work to Give program made the virtual shift in FY2021, and employee volunteers continued to engage with the community over various virtual platforms. This year, over 13,500 volunteers contributed 50,000+ hours towards various social causes like environment, education, community development, skilling and COVID-19 care support, and reached over 2,10,000 lives through our volunteering efforts.





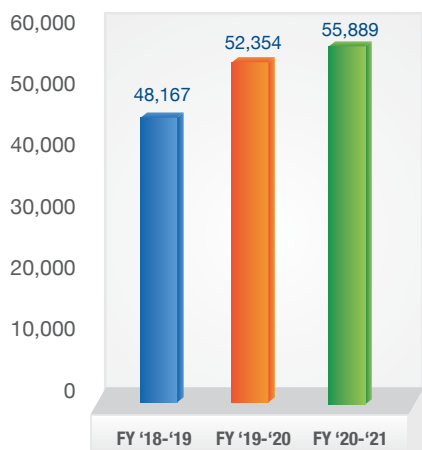


# 10 YEARS OF GROWTH

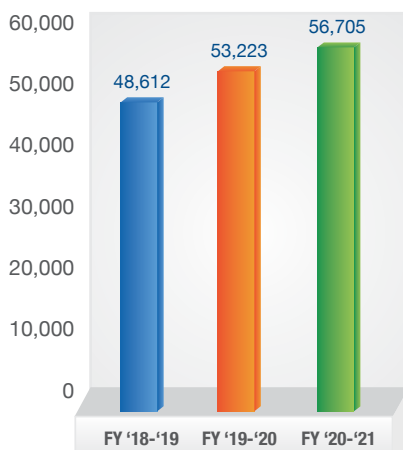


# FINANCIAL & GENERAL HIGHLIGHTS

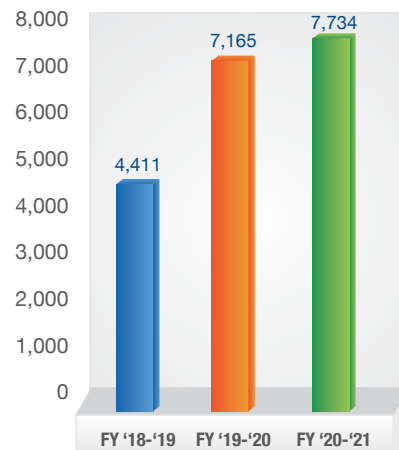
■ FY '18-'19 ■ FY '19-'20 ■ FY '20-'21



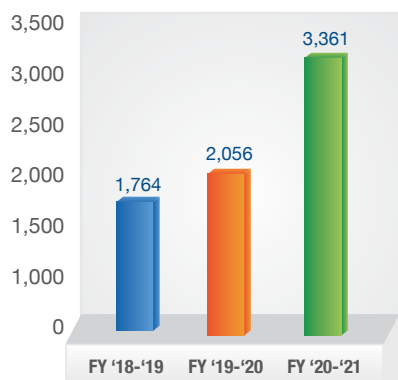
Operating Revenue (₹ million)



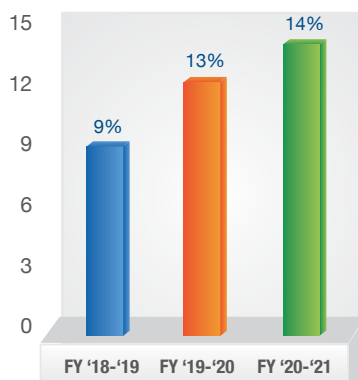
Total Revenue (₹ million)



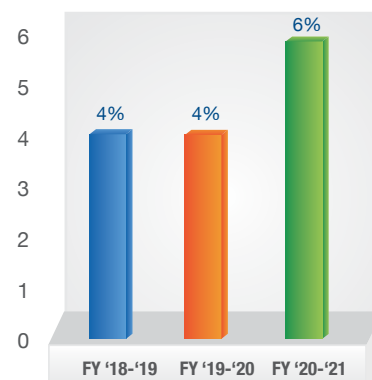
EBITDA (₹ million)



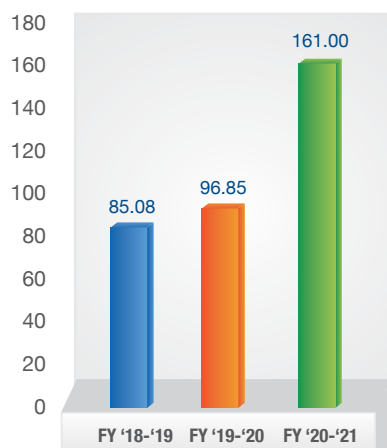
PAT (₹ million)



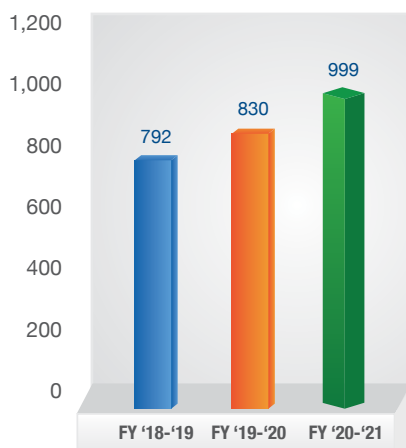
Operating Profit/Total Revenue



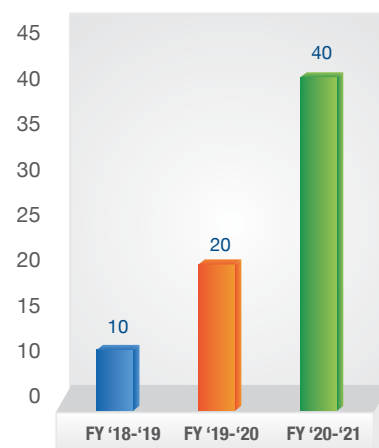
PAT/Total Revenue



Basic EPS (in ₹)



Book value per share (in ₹)



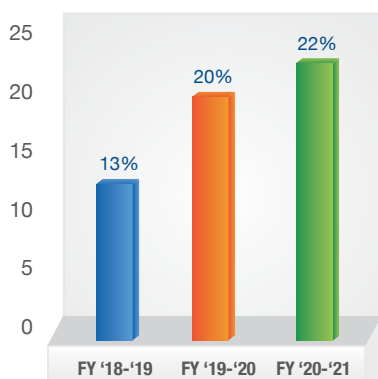
Dividend per share (in ₹)

# FINANCIAL & GENERAL HIGHLIGHTS

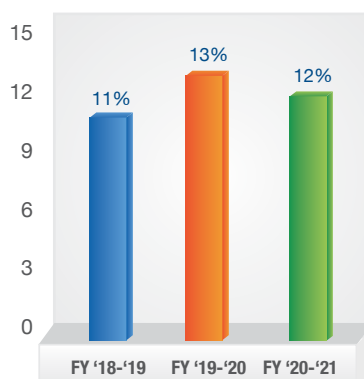
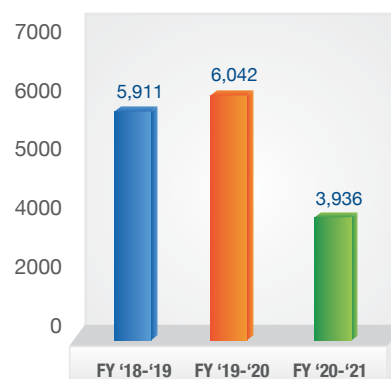
FY '18-'19

FY '19-'20

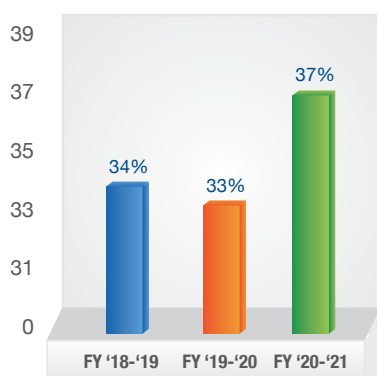
FY '20-'21



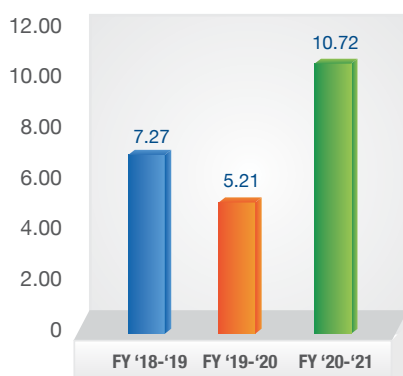
ROCE (PBIT/Av. Capital Employed)

Cash and Bank Balances/  
Total Assets

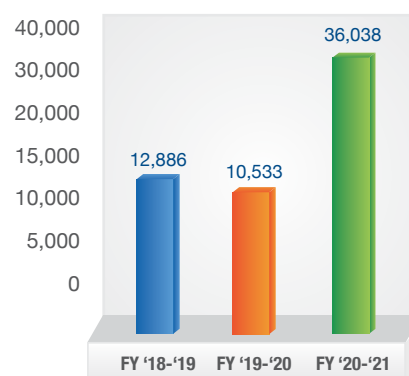
Total Gross Debt (₹ million)



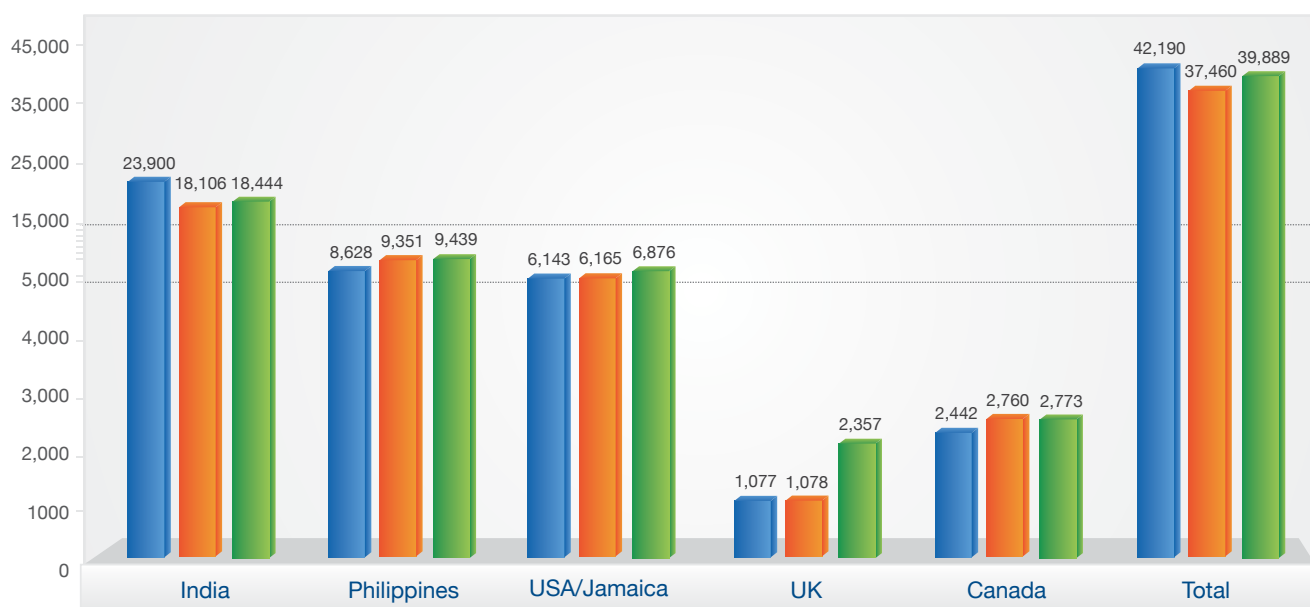
Capital/Output Ratio



Year end Price/Earnings Ratio



Market Capitalisation (₹ million)

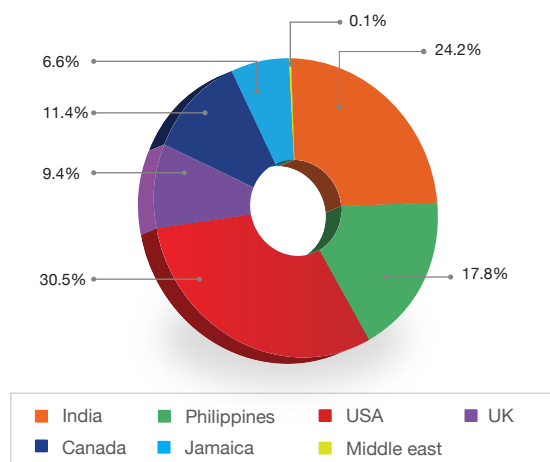


Headcount - by Geography

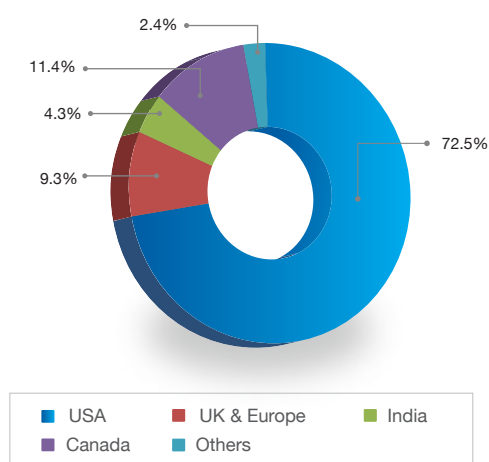
# FINANCIAL & GENERAL HIGHLIGHTS

FY '20-'21

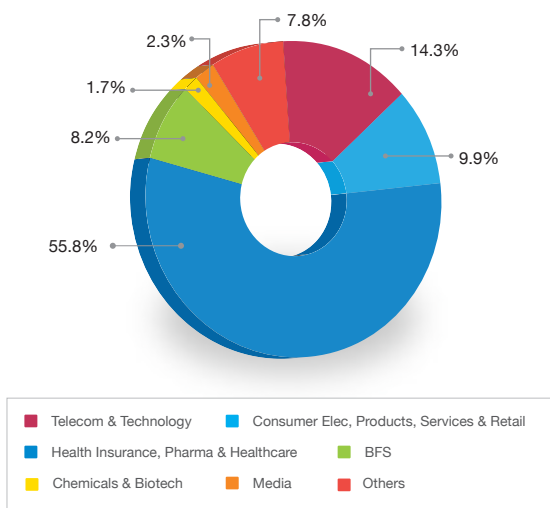
Revenue Split - by Delivery Location



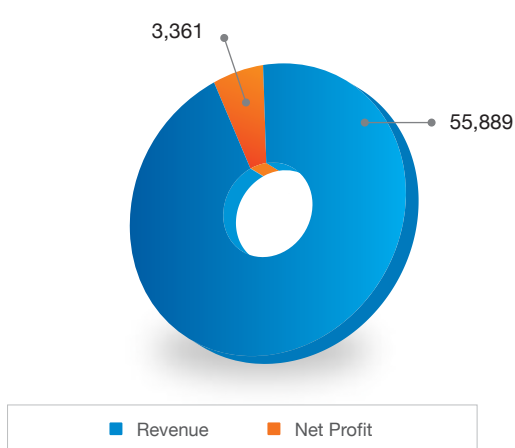
Revenue by Origination



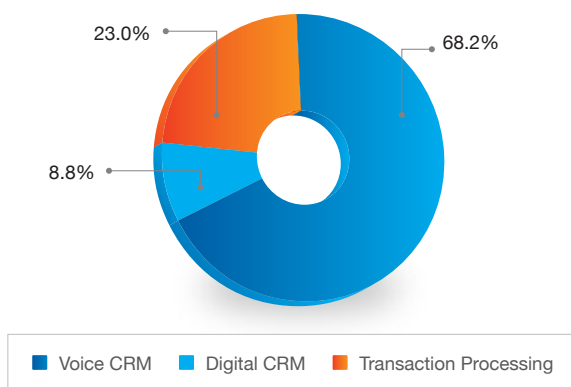
Revenue Split - by Vertical



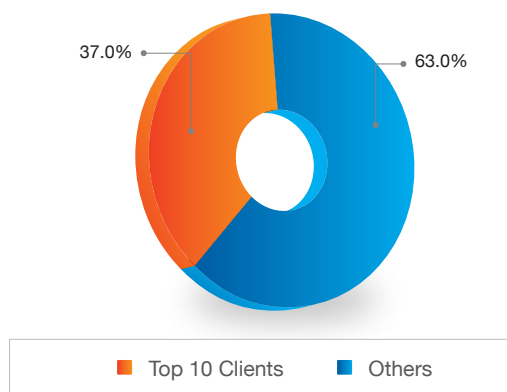
Revenue & Net Profit (INR Million)



Channel Mix

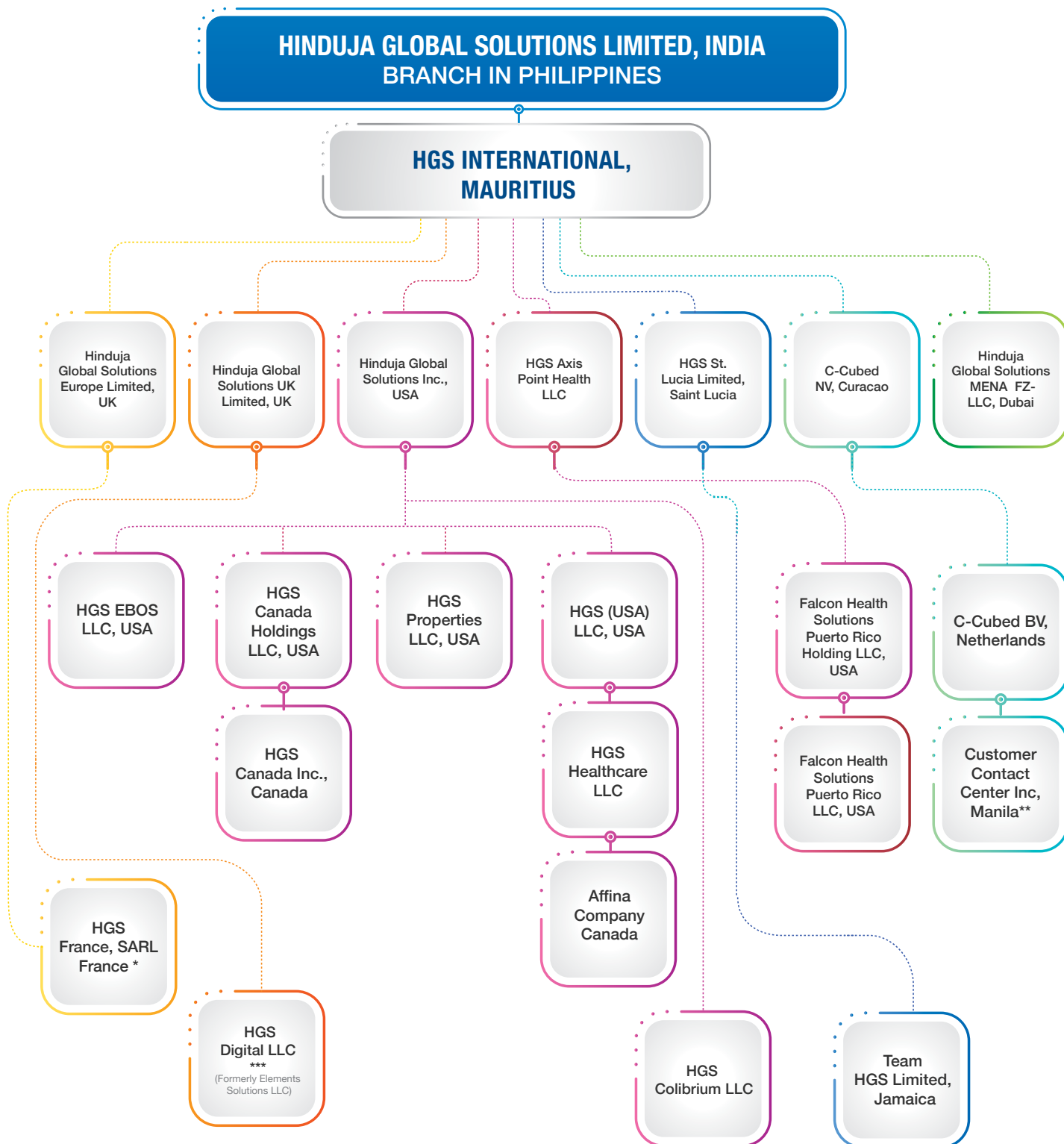


Client Concentration





# 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, Hinduja Global Solutions UK Limited had acquired the remaining stake and consequently the shareholding in HGS Digital LLC has increased to 100%.

# 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, 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

### Risk Management Committee

Bhumika Batra - Chairperson  
Sudhanshu Tripathi  
Partha DeSarkar

### Corporate Social Responsibility Committee

Anil Harish - Chairman  
Sudhanshu Tripathi  
Partha DeSarkar

### Committee of Directors

Mr. Sudhanshu Tripathi – Chairman  
Ms. Bhumika Batra  
Mr. 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, Global CEO and Whole-time Director  
Srinivas Palakodeti, Global CFO  
S. Mahadevan, EVP - Legal, Compliance and Company Secretary (upto September 30, 2020)  
Narendra Singh, Sr. VP and Company Secretary (effective September 30, 2020)

### 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  
Fifth Third Bank  
HDFC Bank Limited  
ICICI Bank Limited  
IndusInd Bank Limited  
International Exchange Bank  
LaSalle Bank  
Metropolitan Bank & Trust Co  
National Commercial Bank Jamaica Limited  
SBM BANK (MAURITIUS) LTD  
S P Hinduja Banque Privee (formerly known as Hinduja Bank (Switzerland) Ltd)  
Standard Chartered Bank  
State Bank of India  
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.  
Toll Free No.: 1-800-309-4001  
E-mail: einward.ris@kfintech.com  
Website: www.kfintech.com

# CONSOLIDATED BALANCE SHEET

(All amounts are in USD 000's)

	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, plant and equipment	64,356	70,601
b) Right to use asset	95,512	103,466
c) Capital work-in-progress	439	641
d) Other intangible assets	9,381	10,843
e) Goodwill	46,431	45,004
f) Financial Assets		
(i) Investments	-	634
(ii) Other financial assets	9,748	8,099
g) Deferred tax assets (net)	9,506	13,900
h) Income tax assets (net)	12,006	10,975
i) Other non-current assets	3,644	3,658
<b>Total non-current assets</b>	<b>251,023</b>	<b>267,821</b>
<b>Current assets</b>		
a) Financial Assets		
(i) Investments	659	735
(ii) Trade receivables	168,184	131,267
(iii) Cash and cash equivalents	72,443	70,431
(iv) Bank balances other than (iii) above	852	545
(v) Loans	71,179	57,362
(vi) Other financial assets	6,504	2,183
b) Other Current assets	15,886	9,910
c) Assets classified as held for sale	7,111	-
<b>Total current assets</b>	<b>342,818</b>	<b>272,433</b>
<b>Total assets</b>	<b>593,840</b>	<b>540,254</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	2,853	2,769
b) Other equity	282,097	225,377
Equity attributable to the equity holders of the Company	284,951	228,146
c) Non-controlling interest	-	1,640
<b>Total Equity</b>	<b>284,951</b>	<b>229,786</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial Liabilities		
(i) Borrowings	26,152	40,068
(ii) Lease liabilities	90,832	96,745
(iii) Other financial liabilities	544	7,076
b) Provisions	28,636	17,658
c) Contract liabilities	1,399	202
d) Deferred tax liabilities (net)	410	3,593
<b>Total non-current liabilities</b>	<b>147,972</b>	<b>165,342</b>
<b>Current liabilities</b>		
a) Financial Liabilities		
(i) Borrowings	13,790	26,136
(ii) Lease liabilities	16,568	15,249
(iii) Trade payables	52,435	37,384
(iv) Other financial liabilities	47,259	44,770
b) Provisions	11,109	7,664
c) Contract liabilities	3,262	865
d) Current Tax Liabilities (net)	3,429	3,998
e) Other current liabilities	13,065	9,060
<b>Total current liabilities</b>	<b>160,918</b>	<b>145,126</b>
<b>Total liabilities</b>	<b>308,890</b>	<b>310,468</b>
<b>Total equity and liabilities</b>	<b>593,840</b>	<b>540,254</b>

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are in USD 000's)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Continuing Operations</b>		
I Revenue from operations	753,913	701,864
II Other income	11,004	8,042
<b>III Total income (I+II)</b>	<b>764,918</b>	<b>709,906</b>
<b>IV Expenses</b>		
a) Employee benefit expenses	513,368	468,407
b) Finance costs	11,911	13,265
c) Depreciation and amortization expenses	41,482	40,993
d) Other Expenses	136,215	139,606
<b>Total expenses</b>	<b>702,975</b>	<b>662,271</b>
<b>V Profit before exceptional items and tax</b>	<b>61,942</b>	<b>47,635</b>
VI Exceptional items	2,054	2,973
<b>VII Profit before tax</b>	<b>59,888</b>	<b>44,662</b>
<b>VIII Tax expense</b>		
a) Current tax	16,814	17,712
b) Deferred tax	(3,040)	1,172
c) Current tax relating to prior years	783	(128)
<b>Total tax expense</b>	<b>14,557</b>	<b>18,756</b>
<b>IX Profit for the period from continuing operations</b>	<b>45,331</b>	<b>25,906</b>
<b>Discontinued Operations</b>		
(a) Profit before tax from discontinued operations	-	4,489
(b) Tax expense of discontinued operations	-	1,453
<b>X Profit after tax from discontinued operations [(a)-(b)]</b>	<b>-</b>	<b>3,036</b>
<b>XI Profit for the period</b>	<b>45,331</b>	<b>28,942</b>
<b>XII Other comprehensive income</b>		
<b>A. Items that will not be reclassified to statement of profit and loss</b>		
a) Remeasurements of defined benefit plans		
- Continuing Operations	(1,443)	(1,241)
- Discontinued operations	-	(52)
b) Income tax on above item	(468)	296
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)</b>	<b>(1,910)</b>	<b>(997)</b>
<b>B. Items that may be reclassified to profit or loss</b>		
a) Effective Portion of designated portion of hedging instruments in a cash flow hedge	12,408	(11,948)
b) Income tax on above item	(4,094)	4,237
c) Net change in fair value of hedges of net investment in foreign operations	445	(1,713)
d) Exchange differences in translating the financial statements of foreign operation	(746)	11,256
e) Current tax on above items	1,170	(1,590)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)</b>	<b>9,183</b>	<b>242</b>
<b>XIII Other comprehensive income for the year, net of tax [A + B]</b>	<b>7,273</b>	<b>(755)</b>
<b>XIV Total comprehensive income for the year (both continuing and discontinued operations)</b>	<b>52,604</b>	<b>28,187</b>

# CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in USD 000's)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Net cash inflow from operating activities</b>	<b>93,294</b>	<b>124,390</b>
<u>Cash Flow from investing activities:</u>		
Payments/ Proceeds from Property, Plant and Equipment	(20,586)	(15,864)
Payment for acquisition of business	-	(1,626)
Loans given	(12,807)	(47,856)
others	5,169	6,862
<b>B. Net cash outflow from investing activities</b>	<b>(28,224)</b>	<b>(58,484)</b>
<u>Cash Flow from financing activities:</u>		
Proceeds from issues of shares	74	149
Repayment of borrowings	(27,027)	(4,222)
Others	(37,222)	(37,909)
<b>C. Net cash outflow from financing activities</b>	<b>(64,175)</b>	<b>(41,982)</b>
<b>D. Net increase/ decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>895</b>	<b>23,924</b>



# 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 ('FY') ended March 31, 2021.

## Financial Results

(₹ in million\* except per share data)

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
<b>Income</b>				
Revenue from Operations	23,629	23,814	55,889	52,257
Other Operating Income	-	97	-	97
Other Income	552	1,159	816	869
<b>Total Income</b>	<b>24,181</b>	<b>25,070</b>	<b>56,705</b>	<b>53,223</b>
<b>Expenses</b>				
Operating Expenses	18,463	18,849	48,155	45,189
Finance cost	615	667	883	1,031
Depreciation and amortisation expense	1,873	2,154	3,075	3,300
<b>Total expenses</b>	<b>20,951</b>	<b>21,670</b>	<b>52,113</b>	<b>49,520</b>
<b>Profit before exceptional items and tax</b>	<b>3,230</b>	<b>3,400</b>	<b>4,592</b>	<b>3,703</b>
Exceptional items	-	-	152	211
<b>Profit Before Tax and after exceptional items</b>	<b>3,230</b>	<b>3,400</b>	<b>4,440</b>	<b>3,492</b>
<b>Income Tax expense</b>	<b>1,156</b>	<b>882</b>	<b>1,079</b>	<b>1,436</b>
<b>Profit for the period</b>	<b>2,074</b>	<b>2,518</b>	<b>3,361</b>	<b>2,056</b>
Less: Non-controlling interest	-	-	-	(37)
Add: Balance brought forward from Previous Year	11,815	10,448	9,026	8,223
Add/(Less): Adjustments and appropriation				
Adjustments during the year	-	(586)	111	(651)
Dividends	(376)	(469)	(376)	(469)
Dividend Distribution Tax	-	(96)	-	(96)
<b>Balance Carried Forward</b>	<b>13,513</b>	<b>11,815</b>	<b>12,122</b>	<b>9,026</b>
<b>Earning per equity share [nominal value per share ₹10/- each]</b>				
(a) Basic	99.35	120.72	161.00	96.85
(b) Diluted	99.24	120.66	160.82	96.79

\*(1 million = ₹ 10 lakhs)

The Standalone and Consolidated Financial Statements for the year ended March 31, 2021, have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended, ('Ind AS'), as prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other recognized accounting practices and policies to the extent applicable.

### Your Company's response to COVID-19

The year 2020 will always be remembered as the year of the unprecedented pandemic - COVID-19, which has disrupted life for every business and individual alike. Set against this backdrop, it was important for your Company to take relevant actions to ensure business continuity, basis both client and Government mandates, while keeping employees' safety as the topmost priority.

Your Company acted deliberately and decisively to limit the impact of COVID-19 on the business, including rapidly enabling Work@Home ('W@H') capabilities across delivery teams. Most of the employees globally were moved from Brick & Mortar (B&M) to W@H model within a few weeks' timeframe, while a few are still working on premises to support critical processes, with all relevant safety guidelines in place.

In India, post removal of restrictions and with strict social distancing norms in line with local Government guidelines, your Company brought back a few hundred employees to its offices. However, the Company has transitioned back to a full-fledged W@H model in the country since early May 2021 when the most recent lockdowns were enforced.

In the first wave, your Company focused on migration of its employees to W@H, asset movement and infrastructure, and enabling support functions such as training, remote support, recruitment, etc., to remote working, educating employees on overall wellness, etc., globally. With the second wave significantly impacting India, where a large section of the employees is based out, the Company has also initiated programs such as support groups, counselling, extended certain financial benefits (increased life cover in case of employee demise, funeral expenses, etc.), increased focus on employee mental health through awareness campaign, contests and announcements.

#### Engaging the People via technology, communication and support

Your Company created virtual touchpoints at multiple levels for all employees and established frequent communications to offer support where needed and keep morale high. The Company leveraged structured leadership communication including CEO-led townhalls and other channels to ensure job and salary assurance, including connect calls, one on one interactions and with teams, and virtual Rewards & Recognition. Your Company's policies and communications have focused on ensuring health & wellness and safety of its employees through structured virtual programs on wellness. Your Company also reinforced its communications on social platforms to engage, address concerns and sustain great experience for both employees and prospective candidates.

For on premise operations, your Company has created an evolving ready reckoner/ COVID Playbook that addresses policies, procedures, guidelines on working at home, travelling to work as well as working in office, keeping in mind all the safety precautions. It also covers aspects such as cleanliness & sanitization, social distanced seating on the floor, no entry without masks, etc. Your

Company also developed an application (App) for self-declaration of health status before coming into the office, deployed in the geographies where it still has on premise employees.

#### Engaging the Clients proactively – business continuity the key focus

Your Company has focused on delivering uninterrupted, high-quality services to its clients, through proactive outreach, proposing actions including preventative measures, communication and back up to their customers, led by W@H. Most clients have been very supportive, and the feedback has been very good.

#### Operating Performance

On a Consolidated basis, your Company registered a strong performance during the financial year ended March 31, 2021. As compared to the previous financial year, revenues from Operations and Other Operating Income increased by 6.8% from ₹52,354 million to ₹55,889 million.

During FY 2020, the Company had sold its India Domestic Customer Relationship Management ('CRM') Business and had exited certain contracts which had "pass through" revenues. On a like-to-like basis, revenues in FY 2021 increased by 14.6% over FY 2020.

On a like-to-like basis, revenues in FY 2021 have grown over FY 2020 by 14.6%, of which 4.3% is on account of exchange variations and the balance on account of volume growth. The organic growth was 10.3%. The Company saw strong growth in revenues across all verticals, especially healthcare and public sector clients.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) excluding Other Income grew 7.9% from ₹7,165 million to ₹7,734 million. This growth in EBITDA was due to improvement in performance of healthcare business, improvement to the business in Canada and UK.

On a like-to-like basis EBITDA in FY 2021 have grown over FY 2020 by 16.0%.

Other Income during FY 2021 decreased by 6.2% from ₹869 million to ₹816 million. This decrease is on account of foreign exchange variations, increase in interest on treasury surplus and income from sale of Service Exports from India Scheme (SEIS) scrips.

PAT (Profit after Tax) for FY 2021 increased from ₹2,056 million to ₹3,361 million, an increase of 63.4%. This increase was recorded 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 in FY 2020 are due to impairment of goodwill and intangibles (customer relationships) of HGS AxisPoint Health LLC and of ₹152 million in FY 2021 representing additional provision made towards the change in fair value of contingent consideration payable to the sellers of HGS Digital LLC (formerly Element Solutions LLC) for the acquisition of the remaining stake of 28.67%.

Standalone financials comprise of the financials of the Company in India and its branch in Philippines. On a Standalone basis, revenues from Operations in FY 2021 decreased by 1.2% from ₹23,911 million to ₹23,629 million.

On a like-to-like basis, revenues in FY 2021 have grown over FY 2020 by 10.3%.

EBITDA for FY 2021 increased by 2% from ₹5,063 million to ₹5,165 million. This increase is due to improvement in performance of India and Philippines.

On a like-to-like basis, EBITDA in FY 2021 have grown over FY 2020 by 13.2%.

PAT in FY 2021 decreased by 17.6% from ₹2,517 million to ₹2,074 million, due to decrease in Other Income in FY 2021 and higher tax rate at 35.8% in FY 2021 as compared to 25.9% in FY 2020.

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 'D'**.

#### Other financial highlights:

- Cash flow from operations and after working capital changes: ₹6,910 million in FY 2021 as compared to ₹8,837 million in FY 2020, a decrease of 21.7%;
- CAPEX: ₹1,581 million in FY 2021 as compared to ₹1,176 million in FY 2020;
- Gross Debt (exclusive of finance lease liability) of ₹3,936 million as at March 31, 2021 as compared to ₹6,042 million as at March 31, 2020, i.e., a decrease of ₹2,106 million during the year;
- Net Worth: ₹20,849 million as at March 31, 2021 as compared to ₹17,318 million as at March 31, 2020, an increase of 20.4%.
- Consolidated EPS has increased from ₹96.85 to ₹161. However, there has been a reduction in Standalone EPS from ₹120.72 to ₹99.35 primarily due to decrease in PAT mainly on account of drop in other income and higher tax rate.

#### Revenue Summary:

- Revenue by Origination Geography – US 72.5%, Canada 11.4%, UK & Europe: 9.3%, India: 4.3% and others 2.4%.

- Revenue by Verticals – Healthcare: 55.8%, Telecom and Technology: 14.3%, Consumer: 9.9%, Banking and Financial Services: 8.2% and Others: 11.8%.

#### Business Highlights:

- Client Wins: 70 new clients overall.
- Active Clients: 254 core BPM clients and 708 Payroll processing, HRO and F&A clients.
- Delivery Centres: 56 global delivery centres across seven countries at the end of FY 2021.
- Employee Headcount: 39,889 as on March 31, 2021; of which India: 46.2%, Philippines: 23.7%, USA: 8.8%, Canada: 7.0%, Jamaica: 8.4% and UK: 5.9%.

#### Sale of Healthcare Services Business

The Board of Directors of your Company at its meeting held on August 9, 2021 has approved the sale of its Healthcare Services Business ('HS Business') to wholly owned subsidiaries of Betaine BV ('Investor'), which is owned by funds affiliated with Baring Private Equity Asia.

The sale of the Company's HS Business to wholly owned subsidiaries of the Investor are by way of (a) a slump sale of the healthcare services business undertaking of the Company in India and its Philippines branch on a going concern basis; and (b) a transfer of the entire shareholding of the Company in HGS Healthcare LLC, HGS AxisPoint LLC, HGS EBOS LLC and HGS Colibrium LLC, and (c) sale as a going concern of the healthcare services business of Team HGS Limited, Jamaica.

The sale of the HS Business to the Investor has been agreed for an aggregate enterprise value of US \$ 1,200 million subject to adjustments. The proposed transaction is subject to completion of conditions precedent including regulatory approvals and approval of the shareholders of the Company by way of a special resolution.

The HS Business has over 20,000 employees across India, Philippines, USA and Jamaica – and recorded revenues of approximately US\$ 400 million in FY2021. Post completion of the transaction, your Company will transfer to the Investor all client contracts, employees, and assets, including infrastructure related to the HS Business.

Your Company will focus on strengthening its Consumer Engagement Solutions (CES), HGS Digital and HRO/ Payroll businesses that support several top global brands across its nine verticals. Services to healthcare clients delivered by HGS Digital and HRO/ Payroll businesses will continue to be part of HGS' portfolio.

## Dividend

Your Directors are pleased to recommend a Final Dividend of ₹22 per equity share (220% on face value of ₹10/- each), which includes a Special Dividend of ₹15 per equity share (150%) (on an equity share of par value of ₹ 10/- each) for FY 2020-21, subject to your approval at the ensuing Annual General Meeting ('AGM'). In view of the all time high profits of the Company, the special dividend has been recommended by the Board. This is in addition to three Interim Dividends aggregating to ₹18 per equity share of ₹10/- each for FY 2020-21 which were declared by the Board of Directors ('the Board') on September 5, 2020, November 9, 2020 and February 8, 2021, and have been duly paid. Thus, the total dividend for the financial year ended March 31, 2021 remains ₹40 per equity share (400% on face value of ₹10/- each), if approved by the Members.

Pursuant to the requirements stipulated under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('SEBI Listing Regulations'), formulation of Dividend Distribution Policy became applicable on the Company effective April 1, 2021. In compliance with the said Regulation, Dividend Distribution Policy as approved by the Board of the Company, has been hosted on the website of the Company at [www.teamhgs.com/investors/corporate-policies](http://www.teamhgs.com/investors/corporate-policies).

## Business Review / Overview

Your Company is a global leader in business process management (BPM) services and optimizing the customer experience lifecycle. Your Company's mission is to help transform its clients' operations, thereby making them more competitive in the global market place. Your Company 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, your Company increases revenue, improves operating efficiencies and helps clients retain valuable customers. Your Company's expertise spans the healthcare, telecommunications, media, insurance, banking, consumer electronics, packaged goods industries, retail, technology and public sector verticals. Your Company operates on a global landscape with 39,889 employees at the end of FY 2021, with 56 delivery centres worldwide, delivering localized solutions. Your Company has a strong presence in India (for servicing offshore clients), Philippines, UK, US, Canada, Jamaica and MENA. 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 'D'**.

## 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 2021 was US\$ 2.2 million as compared to US\$ 1.2 million for FY 2020.

**Hinduja Global Solutions Inc., USA (HGS Inc.)**, a wholly-owned subsidiary of HGS International, Mauritius, specializes in marketing and providing voice and non-voice related Customer Contact and Business Process Outsourcing services to its clients. Its 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\$ 595.2 million for FY 2021 as compared to US\$ 573.9 million in FY 2020.

**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 CRM programs in the verticals of consumer goods and services, e-commerce, telecom, media and travel & logistics. HGS (USA), LLC also subcontracts work to HGS India, its branch in the Philippines and to Team HGS in Jamaica.

For FY 2021, it recorded revenue of US\$ 117.0 million as compared to US\$ 127.0 million in FY 2020.

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

For FY 2021, it recorded revenue of US\$ 352.0 million as compared to US\$ 316.3 million in FY 2020.

**HGS EBOS, LLC**, is a wholly-owned subsidiary of HGS Inc., and renders BPM services to healthcare clients, primarily in the Provider Segment. HGS EBOS renders services in the US as well as subcontracts work to HGS India, its branch in Philippines and Team HGS in Jamaica.

For FY 2021, it recorded revenue of US\$ 36.8 million as compared to US\$ 45.9 million in FY 2020.



**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 2021, it recorded revenue of US\$ 6.7 million as compared to US\$ 5.1 million in FY 2020.

**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 2021, it recorded revenue of CAD 113.5 million as compared to CAD 107.7 million in FY 2020.

**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 2021, it recorded revenue of GBP 2.1 million as compared to GBP 2.7 million in FY 2020.

**Hinduja Global Solutions UK Ltd.** is a leading contact center company with centers in Chiswick, Preston, Liverpool, Caerphilly (Wales) 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 2021, it recorded turnover of GBP 66.2 million as compared to GBP 35.3 million in FY 2020.

**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 2021 was Jamaican Dollars 7,144.3 million compared to Jamaican Dollars 4,860.9 million in FY 2020.

**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 2021, it recorded revenue of AED 5.6 million as compared to AED 7.4 million in FY 2020.

**HGS AxisPoint Health LLC:** The share capital of this company is held by HGS International, Mauritius (51%) and Hinduja Global Solutions UK Ltd. (49%). Through its CarePoint division, it 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 2021, it recorded revenue of US\$ 9.7 million as compared to US\$ 15.9 million in FY 2020.

**HGS Digital LLC (formerly known as Element Solutions LLC):**

As of March 31, 2020, HGS UK Ltd., was holding 71.33% in HGS Digital LLC, USA while the balance 28.67% was held by its founders. During FY 2021, HGS UK Ltd increased its stake in HGS Digital LLC to 100%, making HGS Digital LLC, a wholly-owned subsidiary.

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

For FY 2021, it recorded revenue of US\$ 22.9 million as compared to US\$ 18.4 million in FY 2020.

Pursuant to Section 129(3) of the Act, 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 with respect to subsidiaries, as may be applicable, are available on the website of Company [www.teamhgs.com](http://www.teamhgs.com).

### Particulars of Loans, Guarantees and Investments

Particulars of Loans, Guarantees and Investments as per Section 186 of the Act have been disclosed in this Annual Report as 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, 2021, 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 11,322 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 2,08,65,933 equity shares to 2,08,77,255 equity shares of ₹10/- each, aggregating to ₹208.77 Million as on March 31, 2021.

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, 2021, your Company has a long-term rating of CRISIL A+/ Positive (Reaffirmed and outlook revised to 'Positive') and short-term rating of CRISIL A1+ (Reaffirmed).

### Investor Education and Protection Fund (IEPF)

The detailed information pertaining 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 FY2021. In January 2021, Gartner named your Company as a Leader in Customer Service BPO in the 2021 Gartner Magic Quadrant. Globally and primarily in the US, the Company has established itself as an industry thought leader through successful earned media coverage, with 9.3% media share of voice, according to an independent report by Apollo Research (February 2021).

The Company carried a consistent drumbeat of thought leadership coverage focused on topics like revenue cycle management and population health in influential healthcare outlets like MedCity News, Healthcare Business Today and HFMA, as well as mainstream outlets like Readers Digest.

After the launch of the new HGS Digital brand last fiscal, your Company focused on establishing the brand and expanding thought leadership in the valuable customer experience (CX) sector. Key messaging was pulled through media that specifically spoke to the C-suite, putting your Company in front of decision makers such as CIOs, CXOs, CDOs and CMOs. Your Company was featured in key outlets such as VentureBeat, Retail Customer Experience, Destination, Toolbox, Total Retail, Authority Magazine, Forbes.com, Call Center Times, TMCnet.com, and more. Your Company's subject matter experts were prominently featured in these articles through contributed content, feature stories, and quotes providing context and insight to issues affecting the industry.

In India, your Company continues to leverage various channels including media, social media, webinars and events to enhance visibility and thought leadership amongst key stakeholders including investors, employees, public and Government. The Company has been regularly communicating about its business growth, digitization, HR trends led by technology, our community efforts, etc., in key business and general publications including The Economic Times, Moneycontrol, Times of India, Business Standard, etc. Your Company has been amongst the leading voices in the Indian BPM industry on the COVID-19 pandemic – the swift transition to work from home and how the Company has re-engineered its operations to manage this shift.

During this period of uncertainty when most of our employees have been primarily based out of home, our focus in internal communications and social media communications has been to create awareness of the evolving situation, precautions to be taken and information on policies and helplines. Apart from enhanced leadership communication, we also created specific campaigns to drive employee engagement virtually through contests, videos, wellness programs, etc.

### Corporate Social Responsibility (CSR)

As a socially responsible corporate entity, the CSR initiatives of your Company continue to aim at the overall development of the society, with a major thrust on upliftment of the economically and socially weaker communities. Towards achieving such objectives, CSR initiatives/ activities undertaken by your Company essentially focus on following core areas: Healthcare, Education, Skilling, Water, Persons with Disability and Community Development. CSR projects for honing the vocational skills of the youth and the differently abled are specifically 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 Act.

During the year, your Company won the Best CSR Practice Award for its volunteering initiatives at the Global HR Excellence Awards 2021, part of the World HRD Congress & Awards 2021. Your company was recognized for its structured approach and continued commitment to making a difference in the local communities through 'Work to Give' employee volunteering program, especially through virtual volunteering.

The Corporate Social Responsibility Committee ('CSR Committee') of your Company as at March 31, 2021, consists of following Members:

- Mr. Anil Harish (DIN: 00001685), Independent Director - Chairman

- Mr. Sudhanshu Tripathi (DIN: 06431686), Non-Executive Director - Member
- Mr. Partha DeSarkar (DIN: 00761144), Whole-time Director - Member

During FY 2020-21, two meetings of CSR Committee were held on September 3, 2020 and on March 23, 2021.

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 recommends 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 Act and the Rules made thereunder. The CSR Committee post review, recommends CSR projects/ initiatives to the Board 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 the Board.

The Report on CSR activities, in the format as required under the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, is set out in **Annexure 'E'** forming part of this report. The CSR Policy of the Company is also available on the website of your Company at [www.teamhgs.com/investors/corporate-policies](http://www.teamhgs.com/investors/corporate-policies).

### Directors' Responsibility Statement

The financial statements are prepared in accordance with Ind AS to the extent applicable, as prescribed under Section 133 of the Act, 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 Act, 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:

- in preparation of the Annual Accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed and there have been no material departures in the adoption and application thereof;
- 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;

- 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.
- they have prepared the Annual Accounts on a going concern basis.
- they have laid down adequate internal financial controls to be followed by the Company and that they are adequate and operating effectively.
- 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.

The internal control systems have been strengthened keeping in view the work from home environment due to Covid 19 pandemic. A number of technology solutions have been implemented to offer increased and robust IT controls.

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 2020-21 has marginally increased due to further detailing in few processes. Total number of automated controls have increased due to elimination of manual controls and putting automated controls in place. Such framework is periodically tested internally, 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 2020-21.

### Number of Meetings of the Board

Four meetings of the Board were held during FY 2020-21 on the following dates, i.e., July 31, 2020, September 5, 2020, November 9, 2020, and February 8, 2021. The Company has complied with time gap requirement

between any two meetings provided under the provisions of the Act and SEBI Listing regulations read with circulars/ notifications issued from time to time, including SEBI circular SEBI/HO/CFT/CMD1/CIR/P/2020/38 dated March 19, 2020 & MCA circular No. 11/2020 dated March 24, 2020. 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 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 Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management.

### Familiarization Program for Independent Directors

The details of familiarization program imparted to Independent Directors during the Financial Year ended March 31, 2021 has been made available on your Company's website at [www.teamhgs.com/investors/corporate-governance/familiarization-programme-for-directors](http://www.teamhgs.com/investors/corporate-governance/familiarization-programme-for-directors).

### Board Evaluation

Pursuant to Sections 134, 178 of the Act and applicable regulations of the SEBI Listing Regulations, the Board Effectiveness Evaluation is being carried out. It consists of three components:

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

At the separate meeting of Independent Directors held during the Financial Year ended March 31, 2021 (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 FY 2020-21. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between your Company's Management and the Board.

### Directors

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Yashodhan Madhusudan Kale (DIN: 00013782), Non-Executive Director is liable to retire by rotation at the ensuing 26<sup>th</sup> AGM and being eligible, offers himself for re-appointment.

The Nomination and Remuneration Committee and the Board of Directors at their meeting held on August 5, 2021 and August 9, 2021 respectively, have approved and recommended the re-appointment of Mr. Y.M. Kale and his continuation as Non-executive Non-Independent Director after attaining the age of 75 years. Accordingly, a proposal for re-appointment of Mr. Y.M. Kale and his continuation as Non-Executive Non-Independent Director after attaining age of 75 years is placed for the approval of the Members by way of a Special Resolution at the ensuing Annual General Meeting.

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

Details relating to the composition of the Board, meetings of the Board held during financial year ended March 31, 2021, attendance of the Directors have been provided in the Report on Corporate Governance which forms part of this report as **Annexure 'C'**.

### Registration in Independent Directors' Databank

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

### Audit Committee

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations, Audit Committee of the Board as at March 31, 2021, comprises of following Members:

- Mr. Anil Harish, Independent Director – Chairman
- Mr. Yashodhan Madhusudan Kale, Non-Executive Director - Member
- Ms. Bhumika Batra, Independent Director – Member and
- Dr. Ganesh Natarajan, Independent Director – Member

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 Act, your Company has the following Key Managerial Personnel: Mr. Partha DeSarkar, Whole-time Director; Mr. Srinivas Palakodeti, Chief Financial Officer and Mr. Narendra Singh, Company Secretary.

During the financial year, Mr. S. Mahadevan retired as the Company Secretary (Key Managerial Personnel) effective September 30, 2020. Mr. Narendra Singh was appointed as the Company Secretary (Key Managerial Personnel) of the Company, effective September 30, 2020.

#### Affirmation of Code of Conduct

The Whole-time 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, 2021 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 Act, read with the Companies (Accounts) Rules, 2014, as amended, 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 Listing Regulations, a detailed report on Corporate Governance forms part of this report as **Annexure 'C'**.

Ms. Rupal D. Jhaveri, Practicing Company Secretary (FCS No. 5441 and Certificate of Practice No.4225), Secretarial Auditor of your Company has examined the compliance of conditions of Corporate Governance as stipulated in Schedule V (C) of the SEBI Listing Regulations and her certificate forms part of **Annexure 'C'** to this report.

#### Report on Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the SEBI Listing Regulations, a separate report on Management Discussion and Analysis is annexed to this report as **Annexure 'D'**.

#### Employees Stock Options Plan ('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 FY 2020-21. These ESOP Schemes are in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended. The particulars of aforesaid ESOP Schemes are available on your Company's website at [www.teamhgs.com/investors/other-reports](http://www.teamhgs.com/investors/other-reports). No changes have been made to the aforesaid ESOP Schemes during FY 2020-21.

#### Annual Return

Pursuant to Section 92 (3) and 134(3)(a) of the Act, an Annual Return as on Financial Year ended March 31, 2021, in the prescribed format, is available on your Company's website [www.teamhgs.com/investors/other-reports](http://www.teamhgs.com/investors/other-reports).

#### Related Party Transactions

All contracts/ arrangements/ transactions entered into with the related parties during FY 2020-21 are in the ordinary course of business and at arm's length basis and therefore, outside the purview of Section 188(1) of the Act 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](http://www.teamhgs.com/investors/corporate-policies). Information on related party transactions pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended, is given in Form AOC-2 and the same forms part of this report as **Annexure 'F'**.

#### Policy on Directors' Appointment and Remuneration

Policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act 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](http://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](http://www.teamhgs.com/investors/corporate-policies). There were no complaints received during the year under the Policy.

The details of the Policy are disclosed in the Corporate Governance Report, which forms part of this report as **Annexure 'C'**.

#### 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 for review and suggestions as an ongoing process, and initiatives are taken by the Management to make the workplace safer for the employees. The status of complaints received, disposed of by the ICC and pending as at March 31, 2021 is as under:

Number of complaints pending as at March 31, 2020	2
Number of complaints received	2
Number of complaints disposed of	3
Number of complaints withdrawn	1
Number of complaints pending as at March 31, 2021	-

### 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 details of the Policy & Procedures are given in the Management Discussion and Analysis Report (MDA) annexed to this report as **Annexure 'D'**.

During the year under review, the Risk Management Committee ('RMC'), consisting of the Chief Executive Officer, Chief Financial Officer and Executive Vice President – Legal and Compliance and the Risk Head, periodically reviewed 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 RMC met three times during the year to review the risks and update policy and procedures as appropriate. Pursuant to the extant SEBI Listing Regulations, your Company was not required to constitute a RMC consisting of Directors for the financial year ended March 31, 2021.

However, pursuant to the requirements stipulated under Regulation 21 of SEBI Listing Regulations, as amended, the Company is required to constitute RMC consisting of Directors, effective April 1, 2021. In compliance with the said Regulation, the RMC has been constituted by the Board of the Company.

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

### 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 22<sup>nd</sup> 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 22<sup>nd</sup> AGM till the conclusion of the 27<sup>th</sup> 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) of the Company, for the year ended March 31, 2021 and there are no qualifications in their report.

### Secretarial Audit and Compliance with Secretarial Standards

Pursuant to the provisions of Section 204 of the Act, the Board 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 FY 2020-21.

The Secretarial Audit Report in the prescribed format, for the FY 2020-21, forms part of this report as **Annexure 'G'**. The Report does not contain any qualifications, reservations or adverse remarks.

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

Rule 8(5)(xi) and (xii) inserted by the Companies (Accounts) Amendment Rules, 2021 and effective April 1, 2021 are not applicable.

### Maintenance of Cost Records and Appointment of Cost Auditor

Your Company provides BPM Services. Hence, the Company is not required to maintain cost records pursuant to Section 148 of the Act and therefore appointment of a Cost Auditor is not applicable.



## Particulars of Employees

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

In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, 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 Act, the Annual Report excluding the aforesaid information is being sent to the members. 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 shall be furnished without any fee.

In accordance with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, 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 and the same shall be furnished without any fee.

## Business Responsibility Report (BRR)

Regulation 34(2)(f) of the SEBI Listing Regulations, mandates inclusion of the BRR as part of the report of your Company. In compliance with the said regulation, BRR forms part of this report as **Annexure 'I'**.

## 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 ensuring 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 'D'**.

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

The details of material changes and commitments between the end of the Financial Year and the date of this report are elaborated above under the heading 'Sale of Healthcare Services Business'.

## 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 a challenging business environment.

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

**Yashodhan Madhusudan Kale**

Place : Mumbai  
Date : August 18, 2021

**Chairman**  
**DIN: 00013782**

## Annexure 'A'

# TO THE DIRECTORS' REPORT

## Affirmation of Code of Conduct

I hereby confirm that all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct of the Company for the year ended March 31, 2021.

Place : Bangalore  
Date : May 24, 2021

**Partha DeSarkar**  
**Whole-time Director**  
**DIN: 00761144**

## Annexure 'B'

# TO THE DIRECTORS' REPORT

### Particulars pursuant to Companies (Accounts) Rules, 2014

#### a. Energy Conservation and Technology Absorption:

FY2021 was a year of significant change for IT infrastructure at your Company, led by an objective to aggressively drive resiliency across businesses. Your Company invested in evolving its infrastructure from digital adaptability to higher digital resiliency, and further to offering enhanced digital experience.

In light of the global COVID-19 pandemic, your Company successfully enabled the shift of a majority of its employees to Work@Home ('W@H') set up within the span of a few weeks in March-April 2020. A Centre of Excellence Task Force was set up for evaluating alternate options for Business Continuity with no compromise on Data security with teams across functions and geographies to achieve the best business results. Your Company leveraged Azure Cloud VDI to set up W@H users without any business interruption and collaborated with Internet Service Providers to offer internet bandwidth through multiple types of connectivity for accessing applications and calls.

Since then, during the year, your Company has deployed various measures to ensure resiliency, security and productivity across users. These include globally migrating End Points from WIN 7 to WIN 10 for W@H agents without any production impact, implementing Zscaler with unique login ID for Web Filtering and DLP, MFA enablement on MS Outlook, deploying a comprehensive vulnerability assessment tool Tenable to help predict security incidents, using CrowdStrike - an endpoint detection and remediation tool for servers with Cloud-based definition update, and rolling out a geography based in-house asset tracking solution. Additionally, the Company has seen an increase in Bitsight score.

End-user convenience has been a focus area during this year, with the team deploying a Single Sign On solution for six SaaS based applications and 22 in house applications.

Currently, over 35,000 W@H agents and BYOD users are being supported with IT Uptime being maintained at 99.5%+. There has been enhanced 24x7 remote

monitoring support across geographies during the pandemic, helping get higher customer satisfaction scores.

Our digital shift, both internally and in our solutions delivered to clients, has been on a steady rise this year. Your Company ramped up hundreds of business seats in the UK by leveraging AWS Connect Telephony Cloud offerings. Your Company also completed the aggregation of a Server farm in Denver data center for most of the healthcare business, with a backup in Richardson.

To summarize, your Company has been increasing efforts to mitigate carbon footprint, optimize energy consumption and virtualize infrastructure to drive efficiencies of systems globally.

#### b. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows and outgo during the year are as under.

- 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	2020-21	2019-20
Export as a:		
% of operating income	47.4%	42.3%
% of total income	46.4%	40.4%

- Foreign Exchange Earnings and Outgo:

(₹ in million)

For the Year	2020-21	2019-20
Total Foreign Exchange earned	11,227.5	10,282.5
Total Foreign Exchange outgo	137.4	116.0

For and on behalf of the Board of Directors

**Yashodhan Madhusudan Kale**  
Chairman  
DIN: 00013782

Place : Mumbai  
Date : August 18, 2021

# Annexure 'C' to the Directors' Report

## REPORT ON CORPORATE GOVERNANCE

For the Financial Year ('FY') ended March 31, 2021

[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

#### • Composition

As at March 31, 2021, 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 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). None of the Directors are related to each other. During the year, there has been no change in the composition of Board of Directors of the Company.

The Members of the Board are drawn from diverse fields and devote substantial time in the deliberations 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 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 Act read with Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they fulfill criteria of independence. Based on the confirmations/disclosures received from the independent directors, in the opinion of the Board, the independent directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the Management.

The Board of Directors of the Company has accepted all the mandatory recommendations of the Committees of the Board.

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 Listing Regulations across all the companies in which they are a Director.

#### • Details of Board Meetings held during the FY ended March 31, 2021, 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 FY ended March 31, 2021, Four Board Meetings were held on July 31, 2020, September 5, 2020, November 9, 2020, and February 8, 2021. The Company has complied with time gap requirement between any two meetings as provided under the provisions of the Act and SEBI Listing Regulations read with circulars/ notifications issued from time to time, including SEBI circular SEBI/HO/CFT/CMD1/CIR/P/2020/38 dated March 19, 2020 & MCA circular No.11/2020 dated March 24, 2020. Video conferencing facility has been provided to facilitate Directors 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 30, 2020	Board Membership		Committee Membership		Directorship in other listed entities	
			Chairman	Member	Chairman	Member	Name of the listed entity	Category
Mr. Yashodhan Madhusudan Kale, Chairman (Non-Executive Non-Independent Director) DIN : 00013782	4	Yes	1	Nil	Nil	1	Nil	Nil
Mr. Sudhanshu Tripathi (Non-Executive, Non-Independent Director) DIN: 06431686	4	Yes	NIL	5*	1	7	GOCL Corporation Limited	Non-Executive, Non-Independent Director
							NXT Digital Limited	Non-Executive, Non-Independent Director
Mr. Anil Harish (Independent Director) DIN: 00001685	4	Yes	NIL	3	4	4	Blue Star Limited	Non-executive Independent Director
							NXT Digital Limited	Non-executive Independent Director
Dr. Ganesh Natarajan (Independent Director) DIN: 00176393	4	Yes	Nil	3	1	5	State Bank of India	Non-executive Independent Director
							Honeywell Automation India Ltd	Non-executive Independent Director
Ms. Bhumika Batra (Women Independent Director) DIN: 03502004	4	Yes	NIL	10#	4	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) DIN: 00761144	4	Yes	Nil	1	Nil	1	Nil	Nil

\* Includes two unlisted public companies

# Includes four unlisted public companies

## 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 Act.

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

II. The terms and conditions of appointment of Independent Directors have been uploaded on the website of the Company at <https://www.teamhgs.com/investors/corporate-policies>.

III. The details of familiarization program imparted to Independent Directors during FY ended March 31, 2021 has been uploaded on the website of the Company at [www.teamhgs.com/investors/corporate-governance/familiarization-programme-for-directors](http://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 and Corporate Governance	Mr. Sudhanshu Tripathi
Corporate Law, Income-tax, FEMA and property matters	Mr. Anil Harish
IT and BPM Industry	Dr. Ganesh Natarajan
BPM Industry	Mr. Partha DeSarkar
Legal, Corporate and International laws	Ms. Bhumika Batra

The Board of Directors consists of 6 Directors out of which 5 are Non-Executive Directors and one Executive (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.

V. Your Company has adopted the Code of Conduct for Board Members, Senior Management Personnel and Employees ('the Code'). The Code is available on the Company's website at [www.teamhgs.com/investors/corporate-policies](http://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, 2021. As required under Schedule V(D) of the SEBI Listing Regulations, the 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, 2021 are as under:

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

### 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 consists of four members as follows:

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

The composition of the Audit Committee conforms with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. During the year under review there has been no change in the composition of Audit Committee.

All the members possess sound knowledge of accounts, audit and financial management. The Company Secretary acts as 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 FY ended March 31, 2021, eight meetings of the Committee were held on July 31, 2020, September 5, 2020, November 9, 2020, January 27, 2021, February 8, 2021, March 24, 2021, March 26, 2021 and March 31, 2021. The Company has complied with the time gap requirement between any two meetings as provided under the provisions of the Act and SEBI Listing Regulations read with circulars/ notifications issued from time to time. Further, due to the CoVID-19 outbreak, SEBI vide circular SEBI/HO/CFT/CMD1/CIR/P/2020/38 dated March 19, 2020 & MCA vide circular No.11/2020 dated March 24, 2020 had provided relaxation for time gap between two meetings.

#### • Attendance

Name of the Member	No. of Meetings Attended
Mr. Anil Harish	8
Mr. Yashodhan Madhusudan Kale	8
Ms. Bhumika Batra	8
Dr. Ganesh Natarajan	7

Mr. Anil Harish, Chairman of the Audit Committee, attended the last AGM of the Company held on September 30, 2020.

### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The details of Corporate Social Responsibility Committee including terms of reference, composition, number of meetings and attendance of meeting etc. is given in Directors' Report.

### 5. NOMINATION AND REMUNERATION COMMITTEE

#### 1. The Committee was constituted as a Board Committee and 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 / Whole-time 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/ Whole-time 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 Act), 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 consists of four members 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

The composition of the NRC conforms with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. During the year under review, there has been no change in the composition of NRC.

#### • **Meetings**

During FY ended March 31, 2021, four meetings of the NRC were held on April 30, 2020, September 3, 2020, November 3, 2020 and March 23, 2021.

#### • **Attendance:**

Name of the Member	No. of Meetings Attended
Mr. Anil Harish, Chairman	4
Mr. Yashodhan Madhusudan Kale	4
Mr. Sudhanshu Tripathi	4
Ms. Bhumika Batra	4

Mr. Anil Harish, Chairman of the Committee attended the last AGM of the Company held on September 30, 2020.

#### • **Performance Evaluation Criteria for Independent 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 NRC 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 Management personnel of the Company from time to time and the Policy is approved by the Board. 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 has been placed on the website of the Company at [www.teamhgs.com/investors/corporate-policies](http://www.teamhgs.com/investors/corporate-policies).

## • REMUNERATION OF DIRECTORS

### ➤ Remuneration by way of sitting fees:

The Non-Executive Directors were paid sitting fees, within the limits prescribed under the Act, for attending Meetings of the Board and the Committees of the Board held during FY ended March 31, 2021, as under:

(INR in Lakhs)

Name of Director	Sitting Fee
Mr. Yashodhan Madhusudan Kale	14.00
Mr. Anil Harish	14.00
Mr. Sudhanshu Tripathi	6.50
Ms. Bhumika Batra	14.50
Dr. Ganesh Natarajan	11.50
Total	60.50

### ➤ 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 Act in accordance with the approval granted by the Members at the 25<sup>th</sup> AGM held on September 30, 2020. Such commission is divided amongst the Non-Executive Directors as determined and approved by the NRC and the Board based upon the parameters such as tenure as a Board member, attendance and participation in the Board meetings during the year, etc.

The amount of commission paid/payable to the Directors is as under:

(INR in Lakhs)

Name of the Director	Commission paid for FY2019-20	Commission payable for FY2020-21
Mr. Yashodhan Madhusudan Kale	36.17	40.09
Mr. Anil Harish	42.44	40.91
Mr. Sudhanshu Tripathi	21.56	39.55
Ms. Bhumika Batra	30.21	40.00
Dr. Ganesh Natarajan	19.62	39.46

The commission for FY 2020-21 will be paid after the approval and adoption of Audited Accounts for FY ended March 31, 2021 at the ensuing 26<sup>th</sup> AGM of the Company. The aggregate amount of commission payable to Non-Executive Directors is within the ceiling

of 1% of the net profits of the Company as computed in the manner as specified under Section 198 of the Act.

### ➤ Non-Executive Directors are not entitled for stock options under the existing ESOP Schemes of the Company.

### ➤ Elements of Remuneration to Mr. Partha DeSarkar Whole-time Director from April 1, 2020 to March 31, 2021

Remuneration to Whole-time Director is subject to the limits specified in Section 197 and Schedule V to the Act and in accordance with the terms of appointment and remuneration approved by the Members at the 24<sup>th</sup> AGM held on September 28, 2019.

Elements of remuneration package	Amount in (₹)
Salary	2,85,25,968
Perquisites & Allowances	6,26,711
Commission	-
Bonus	-
Annual Performance Incentive payable for FY 2020-21 #	4,39,67,000
Annual performance incentive / enterprise performance for FY 2019-20 @	32,60,818
Deferred payment incentive*	9,49,98,849
Severance fee	-
Stock Options granted	-
Other, please specify (Employers contribution towards Provident Fund, Gratuity Fund and Superannuation Fund and Medical Insurance)	18,03,208
Total	17,31,82,554

# The remuneration is exclusive of taxable value of perquisite on stock options exercised during the year. Executive remuneration includes provision for variable remuneration. Annual performance incentive is payable in terms of the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company.

@ Represents the Balance of Annual Performance Incentive accrued during FY 2019-20, payable in terms of the approval by the Nomination & Remuneration Committee and the Board of Directors of the Company.

\* Deferred Performance Incentive, payable in FY 2023, is subject to the Company achieving certain profitability targets by FY ending March 31, 2022 and approval by the NRC and the Board of the Company.

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

During FY ended March 31, 2021, apart from the sitting fees and commission paid to the Non-Executive Directors, the Company did not have any material pecuniary relationships or transactions with Non-Executive Directors in their individual capacity. The transactions, if any, with the firms where directors are interested are disclosed in notes to Financial Statements under Related Party Transactions.

## 6. STAKEHOLDERS RELATIONSHIP AND SHARE ALLOTMENT COMMITTEE

The Stakeholders' Grievance Committee is known by the name 'Stakeholders' Relationship and Share Allotment Committee ('SRSAC')

- **Composition**

The SRSAC consists of four members 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 (Whole-time Director) - Member

The composition of the SRSAC conforms with the requirements of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. Mr. Narendra Singh, Company Secretary acts as Compliance Officer. During the year under review, there has been no change in the composition of SRSAC.

During FY ended March 31, 2021, six complaints were received from the Investors/ members, which were satisfactorily resolved; and one complaint on which the Company has sent its reply was pending with SEBI as at March 31, 2021. Status of the complaints received, disposed off and pending on quarterly basis has been reported to the Board on a periodical basis along with matters relating to the 'Shares' of the Company. The SRSAC had approved proposals relating to the allotment of shares under ESOPs schemes by circular resolutions dated July 13, 2020 and December 8, 2020. Further, during the year, one meeting of SRSAC was held on March 12, 2021.

## 7. RISK MANAGEMENT COMMITTEE

The Board of Directors in their meeting held on June 18, 2021 constituted Risk Management Committee

('RMC') consisting of the following members:

- Ms. Bhumika Batra (Independent Director) – Chairperson
- Mr. Sudhanshu Tripathi (Non-Executive, Non-Independent Director) – Member
- Mr. Partha DeSarkar (Whole-time Director) – Member

The Terms of Reference of this Committee shall be as follows:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

## 8. COMMITTEE OF DIRECTORS

As on March 31, 2021, the Committee of Directors consists of four members as follows:

- Mr. Yashodhan Madhusudan Kale (Non-Executive & Non-Independent Director) – Chairman
- Mr. Sudhanshu Tripathi (Non-Executive, Non-Independent Director) – Member
- Ms. Bhumika Batra (Independent Director) – Member
- Mr. Partha DeSarkar (Whole-time Director) - Member

During the FY 2020-21, no meeting of the Committee was held.

## 9. GENERAL BODY MEETINGS

- Details of location, date and time of holding the last three AGMs:

AGM	Date	Time	Venue
23 <sup>rd</sup>	September 29, 2018	3:00 PM	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
24 <sup>th</sup>	September 28, 2019	4:00 PM	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
25 <sup>th</sup>	September 30, 2020	11.00 AM	Through Video Conferencing / Other Audio Visual means

- No extraordinary general meeting of the members was held during FY ended March 31, 2021.
- Two Special Resolutions were passed by the Members at the previous AGM of the Company held on September 30, 2020. No special resolution was passed in the previous two AGMs of the Company held on September 29, 2018 and September 28, 2019.
- No Special Resolution was passed during the year ended March 31, 2021 through postal ballot.
- 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.

## 10. DISCLOSURES

- A Transactions entered into with the Related parties, as defined under the Act and Regulation 23 of the SEBI Listing Regulations during FY ended March 31, 2021, were 'in the ordinary course of business' and on 'arm's length basis

and do not attract provisions of Section 188 of the Act. There were no material significant related party transactions during the year ended March 31, 2021 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 is available on the website of the Company at [www.teamhgs.com/investors/corporate-policies](http://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, 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 FY 2020-21.
- The said policy is available on the website of the Company at [www.teamhgs.com/investors/corporate-policies](http://www.teamhgs.com/investors/corporate-policies).
- D Your Company has complied with all the mandatory requirements of Corporate Governance as stipulated under the SEBI Listing Regulations.

### Adoption / Non-Adoption of the non- mandatory requirements of Schedule II of the SEBI Listing Regulations:

The discretionary requirements as stipulated in part E of Schedule II of the SEBI Listing 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](http://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 FY ended March 31, 2021 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 the Chairman and the 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 Listing Regulations was placed before the Board on June 18, 2021, to approve the financial statements for the year ended March 31, 2021.

**F** During the year ended March 31, 2021, the Company does not have any material non-listed Indian subsidiary company. The Company has a policy for determining 'material subsidiaries' which is available on the Company's website at [www.teamhgs.com/investors/corporate-policies](http://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 and Ministry of Corporate Affairs or any such Statutory Authorities. A copy of the certificate is Annexed.

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

a)	number of complaints pending as at March 31, 2020	2
b)	number of complaints received	2
c)	number of complaints disposed of	3
d)	number of complaints withdrawn	1
e)	number of complaints pending as at March 31, 2021	Nil

**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 Listing Regulations for FY ended March 31, 2021.

**K.** During the year under review, your Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.

## 11. MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual results are published in leading newspapers (Business Standard and Sakal). The results are simultaneously displayed on the Company's website [www.teamhgs.com/investors](http://www.teamhgs.com/investors). The website is updated regularly with the official news releases, presentations made to Institutional Investors / Analysts and disclosures as required from time to time.
- Report on Management Discussion and Analysis is given as an **Annexure 'D'** to the Directors' Report.

## 12. GENERAL SHAREHOLDER INFORMATION

Sr. No.	Subject	Date
1	Next Annual General Meeting (26 <sup>th</sup> AGM)	
	Date	Thursday, September 23, 2021
	Time	11.00 a.m. (IST)
	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 2021-22 (Tentative)	
	Unaudited results for the quarter ended June 30, 2021	On or before August 14, 2021
	Unaudited results for the quarter / half year ending September 30, 2021	On or before November 14, 2021
	Unaudited results for the quarter/ nine months ending December 31, 2021	On or before February 14, 2022
	Audited results for the year ending March 31, 2022	On or before May 30, 2022
3	Book Closure Date	September 22, 2021 to September 23, 2021 (both days inclusive)

Sr. No.	Subject	Date
4	Final Dividend payment date for FY 2020-21, if approved at the 26 <sup>th</sup> AGM	on or before October 5, 2021
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	BSE: 532859 NSE: HGS
7	ISIN	INE170I01016
8	CIN	L92199MH1995PLC084610

Note: Annual Listing fee for FY 2021-22 has been paid to BSE and NSE.

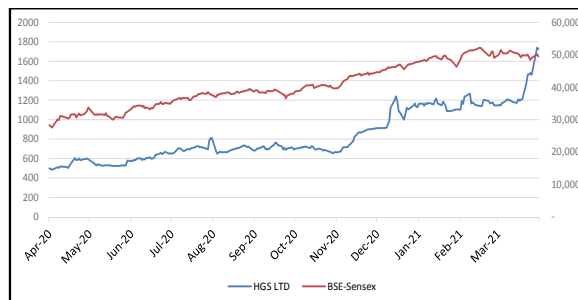
### 13. SHARES RELATED INFORMATION

#### • STOCK MARKET DATA

Month	BSE		NSE	
	Month's High (Rs.)	Month's Low (Rs.)	Month's High (Rs.)	Month's Low (Rs.)
Apr-20	643.00	480.10	646.00	460.00
May-20	586.30	516.05	586.60	514.95
Jun-20	692.15	558.30	690.00	556.85
Jul-20	833.90	635.70	834.45	650.00
Aug-20	768.00	630.00	759.95	645.00
Sep-20	777.30	679.45	780.00	679.30
Oct-20	737.25	651.00	736.75	651.05
Nov-20	916.75	650.00	918.90	660.00
Dec-20	1260.00	883.00	1268.00	902.10
Jan-21	1300.00	1055.60	1298.95	1053.00
Feb-21	1289.70	1091.00	1290.00	1090.00
Mar-21	1844.40	1130.95	1858.90	1125.00

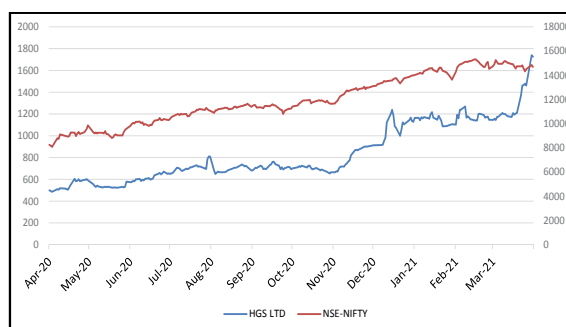
#### • SHARE PRICE MOVEMENT (BSE)

Your Company's closing share price movement on the BSE relative to BSE Sensex closing prices (April 2020 to March 2021)



#### • SHARE PRICE MOVEMENT (NSE)

Your Company's closing share price movement on the NSE relative to NSE Nifty closing prices (April, 2020 to March, 2021)



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

#### • REGISTRAR AND SHARE TRANSFER AGENT ('R&T Agent')

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

KFin Technologies Private Limited (formerly Karvy Fintech Private Limited)  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal  
Hyderabad - 500 032

Toll Free No.: 1-800-309-4001

E-Mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

CIN: U72400TG2017PTC117649

#### • SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on March 31, 2021, 208,39,587 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 to the "Share Transfer Committee" comprising

of Executives of the Company appointed by the Board.

During FY ended March 31, 2021, no proposals for transfer of equity shares were received or approved by the "Share Transfer Committee"; and no proposal was pending approval at the year end.

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.

Pattern of Shareholding as on March 31, 2021:

Particulars	No. of shares	% of shareholding
Promoter and Promoter Group		
a) Domestic	1,12,68,025	53.98
b) Overseas Corporate Body	27,61,427	13.23
FII's	23,30,352	11.16
NRIs/OCBs/Non Domestic Companies	1,19,060	0.57
Mutual Funds, Banks, Financial Institution, Insurance Companies, Central Government	-	-
Private Corporate Bodies	10,76,186	5.15
Individual/ Others	33,13,416	15.87
*Investor Education and Protection Fund	8,789	0.04
Total	2,08,77,255	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, 2021:

Distribution	No. of shareholders		Shareholding	
	No. of shareholders	% to Total	No. of shares	% to Total
Up to 500	12,573	93.42	6,99,095	3.35
501 – 1000	382	2.84	2,95,584	1.41
1001 – 2000	233	1.73	3,44,360	1.65
2001 – 3000	70	0.52	1,72,974	0.83
3001 – 4000	41	0.30	1,45,584	0.70
4001 – 5000	36	0.27	1,66,303	0.80
5001 – 10000	52	0.39	38,33,449	1.84
Above 10000	71	0.53	1,86,69,906	89.42
TOTAL	13,458	100.00	2,08,77,255	100.00

The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2021, there are no outstanding ADRs/ GDRs/

Warrants or any convertible instruments.

A 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 FY ended March 31, 2021 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.

Transfer of unclaimed dividend and transfer of shares to Investor Education and Protection Fund ('IEPF') :

#### • Transfer of unclaimed dividend

Pursuant to sections 124 and 125 of the Act and other applicable provisions, as amended, unclaimed dividend for FY 2012-13, interim dividend and 2<sup>nd</sup> interim dividend for FY 2013-14 remained as such for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company were transferred to the IEPF:

Unclaimed dividend for	No. of shareholders	Amount (₹)	Date of transfer to IEPF
FY 2012-13	460	4,88,590	September 18, 2020
FY 2013-14 (1st Interim)	518	1,30,360	December 23, 2020
FY 2013-14 (2nd Interim)*	463	1,27,820	April 9, 2021
Total		7,46,770	

\* Due in March 2021 and transferred to IEPF in April 2021.

Final Dividend for FY 2013-14 remaining unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company will be transferred in the month of August/September, 2021 to the IEPF. Members are requested to claim the same at the earliest to avoid transfer of the same to IEPF. Periodic communications were 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 30, 2020 (being the date of the last Annual General Meeting) on the website of the Company [www.teamhgs.com/investors/corporate-information/details-unclaimeddividend](http://www.teamhgs.com/investors/corporate-information/details-unclaimeddividend), and also on the website of the Ministry of Corporate Affairs [www.mca.gov.in](http://www.mca.gov.in).

**Transfer of equity shares:**

Pursuant to section 124 of the Act 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.

Description	No. of share-holders	No. of shares transferred to IEPF	Date of transfer to IEPF
FY 2012-13	8	98	November 19, 2020
FY 2013-14 (1 <sup>st</sup> Interim)	17	1,106	January 15, 2021
FY 2013-14 (2 <sup>nd</sup> Interim)*	4	460	April 19, 2021
<b>Total:</b>	<b>29</b>	<b>1,664</b>	

\* Due in March 2021 and transferred to IEPF in April 2021.

During FY 2020-21, 1664 equity shares, in respect of which dividend had not been claimed for a period of seven consecutive years, were transferred to IEPF as under:

The details of shares so transferred are placed on the website of the Company [www.teamhgs.com/investors/corporate-information/details-unclaimed-dividend](http://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 2013-14 remains unclaimed/ unpaid for a period of seven consecutive years, will be transferred to the IEPF in the month of August/September, 2021. 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.

**14. OTHER INFORMATION**

- Credit rating of the Company:**

The Company has a long-term rating of CRISIL A+/ Positive (Reaffirmed and outlook revised to 'Positive') and short-term rating of CRISIL A1+ (Reaffirmed).

- Total fees paid by the Company and its subsidiaries, for all services 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:**

(INR in Lakhs)

Payment to Statutory Auditors	FY 2020-21
Audit Fees including Quarterly fees	300.35
Tax Audit Fees	-
Other Services	101.51
Reimbursement of expenses	10.88
<b>Total</b>	<b>412.74</b>

- 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 2nd year and 20% for 3rd. 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.

Effective December 31, 2021, the Financial Conduct Authority of UK (FCA) has mandated cessation of publication and utilisation of LIBOR by Banks and Financial Institutions. (Overnight and 12-month U.S. Dollar LIBOR settings publication would cease after June 30, 2023). Regulators globally have signaled that institutions should transition away from the Interbank Offered Rate (IBOR) to alternative overnight risk-free rates (RFR) (ex-SONIA, SOFR, etc.).

## 15. 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. Narendra Singh, Company Secretary:

Address: Hinduja House, 171, Dr. Annie Besant Road, Worli

Mumbai – 400 018

Tel: (+91 22) 2496 0707

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

OR to the R&T Agent of the Company, i.e. KFin Technologies Private Limited

As a support to 'Green Revolution' (saving of paper), Members are requested to register their email address with the Company's RTA at [einward.ris@kfintech.com](mailto: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**

**Chairman**

**DIN: 00013782**

Place : Mumbai

Date : August 18, 2021

[This report is to be read with "Practising Company Secretary's Certificate on Corporate Governance" and "Certificate of non-disqualification of directors", which are annexed hereunder and forms an integral part of this report.]



**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF  
**HINDUJA GLOBAL SOLUTIONS LIMITED**

I have examined the compliance of the conditions of Corporate Governance by **HINDUJA GLOBAL SOLUTIONS LIMITED** ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature: Sd/-

Name: **Rupal Dhiren Jhaveri**  
 Practicing Company Secretary  
 Membership No. : **FCS 5441**  
 Certificate of Practice No. **4225**  
 UDIN: F005441C000352920

Place: Mumbai  
 Date: May 21, 2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended)

To,

The Members of

**HINDUJA GLOBAL SOLUTIONS LIMITED**

Hinduja House, 171, Dr. Annie Besant Road,  
Worli, Mumbai- 400018.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HINDUJA GLOBAL SOLUTIONS LIMITED having CIN L92199MH1995PLC084610 and having registered office at Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai- 400018 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Anil Harish	00001685	29/09/2015
2	Mr. Yashodhan Madhusudan Kale	00013782	21/09/2016
3	Mr. Partha DeSarkar	00761144	04/09/2019
4	Ms. Bhumika Batra	03502004	04/09/2019
5	Mr. Sudhanshu Kumar Tripathi	06431686	30/09/2019
6	Dr. Ganesh Natarajan	00176393	30/09/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature: Sd/-

Name: **Rupal Dhiren Jhaveri**  
Practicing Company Secretary  
Membership No. : **FCS 5441**  
Certificate of Practice No. **4225**  
UDIN: F005441C000352920

Place: Mumbai  
Date: May 21, 2021

## Annexure 'D' to the Directors' Report

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## Overview

The financial statements and the associated notes to accounts for the financial year 2020–21 ('FY 2021') have been prepared in accordance to and compliance with the requirements of the Companies Act, 2013 (the Act), and other related and associated guidelines issued by the Securities and Exchange Board of India (SEBI), along with the generally accepted accounting norms, under Indian Accounting Standards (Ind-AS) reporting format, and co-opting all the amendments and revisions from time to time. HGS' management accepts 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

We are over 18 months into the pandemic, and the growing human toll across the world continues to raise concerns, even as the growing vaccine coverage has partially lifted the sentiment. Uncertainty continues to surround the global economic outlook as the path of the pandemic has not been completely reined in. The contraction of the global economic activity in Calendar Year ('CY') CY2020 was unprecedented in its speed and no part of the world has been able to escape the wrath of the pandemic.

Though it is difficult to exactly assess the shrinkage to the economic activity, the IMF estimates suggest that the global economic contraction could have been 3x more, if not for the extraordinary and coordinated policy support from the G-20 countries. Much more has to be done to beat the back of the pandemic in order to avoid the divergence in the per capita income across economies and escalations in inequality within regions of the affected countries.

**Economic outlook is improving:** After an estimated contraction of (3.3%) in CY2020, the global economy on a lower base is likely to grow by about 6% in CY2021, moderating to about 4.4% growth in CY2022. The contraction to the global economic activity in CY2020 was 1.1% lower than what was earlier estimated in October 2020 by the IMF World Economic Outlook (WEO), indicating better-than-expected growth, in the second half of CY2020 for the larger economies.

The economic activities did return to near normalcy levels once lockdowns were eased. Most economies also quickly adapted to the new ways of working and doing business. Hence, the revised estimates for CY2021 and CY2022 are 0.8% and 0.2% higher than the earlier

October 2020 WEO estimates. To achieve higher growth rates in the coming years, fiscal backing may be required in many of the larger economies to support the anticipated vaccine- powered recovery in second half of CY2021.

On a sustainable basis, the global economic growth is likely to moderate around 3.3% in the medium term, on account of aging and slower labor force growth in many of the advanced economies and in some of the middle-income economies. As a result of an unprecedented policy response, COVID-19 triggered recession is likely to leave lesser scars than the 2008 global financial crisis. However, some of the middle income economies and many of the low-income countries have been hit hard and are likely to suffer significant losses over the medium-term.

**Uncertainty surrounds the outlook:** The future progress is likely to depend on the path the health crisis is expected to take. This includes whether the new COVID-19 strains prove susceptible to the vaccine doses or if it prolongs the pandemic. The effectiveness of the policy actions is to limit the persistent economic damage, to evolve a conducive financial condition, to ensure there are no blatant inverse correlations with the commodity prices, and finally improve the adjustment capacity of the economy to adopt to the various market dynamics.

The "ebb and flow" of these drivers and their interface with country-specific characteristics is likely to determine the pace of the recovery and the extent of the economic impact on various countries.

**Coordinated efforts – need of the hour:** Strong and coordinated global co-operation and collaboration amongst various countries are essential for achieving the objectives of ensuring that the middle income and low-income countries continue to narrow the gap between their living standards with those of the high-income countries.

On the healthcare front, the global community has to achieve more than adequate vaccine production and universal distribution of the same at affordable prices through sufficient funding for vaccine facilities, so that all the countries can decisively beat the back of the pandemic. Unless the global community reins in the pandemic at the earliest, achieving uniform economic growth with low inflation and lower interest rates would be difficult.

A strong co-operation between the countries is also needed to resolve the economic issues underlying trade and technology tensions as well as gaps in the rules-based multilateral trading system. Building on the recent advances in international tax policy, efforts should continue to focus on limiting cross-border profit shifting, tax avoidance and tax evasion (*Source: IMF WEO Report – April, 2021*).

### Outlook for the major economies are mixed

Many countries have gone through the various stages of the second wave and some have entered the third wave. Depending on the local situation, the restrictions to movement are being eased in some countries and some are now reopening slowly. But the path to a viable economic recovery remains elusive and probably vulnerable to the new wave of infections.

Government policies have to support the economic relationships throughout the lockdown period and it is vital to enable the economic activity to normalize as pandemic abates and containment measures are lifted. Most of the emerging and developing economies have provided major fiscal and monetary support by targeting the adversely impacted sectors by focusing on industrial and farm workers.

Going forward, if required, the fiscal measures may have to be scaled up further, if stoppages to the economic activity persist or the pickup in the economic activity proves to be submissive, even after the restrictions are lifted. The broad-based fiscal stimulus and timely monetary interventions are likely to become a necessity to preempt any decline to the business confidence, lift aggregate demand and avert any probability of deeper downturn. Until vaccines become available on demand, no country is safe from the pandemic. Even after the initial wave subsides, transmission can occur elsewhere through relapse. (Source: IMF-WEO and OECD Reports)

### United States of America (US)

The fall in the economic activity in the US in the first half of 2020 was nearly 3x as large as the peak decline during the global financial crisis of 2008, reflecting the depth of the recession or slump. Following the sharp contraction of (7.4%) in CY2020, the growth is expected to rebound to 3.6% in CY2021, buoyed by improved pandemic management, aggressive vaccine rollout and rising external demand.

The growth is likely to strengthen to 4% in CY2022 with an extensive roll-out of the vaccination. The substantial fiscal support to household incomes, far beyond what was provided during the global financial crisis contributed to a robust initial rebound in the third quarter of 2020, which was then cut short by a broad resurgence of the pandemic. The growth is expected to recover to 3.6% in CY2021, 50bps lower than previous expectations, fearing a subdued domestic demand amidst renewed restrictions and a broad-based resurgence of the pandemic.

The business activity is expected to improve in the second half of CY2021, as better management of the pandemic, aided by the ongoing vaccination roll-out, allows for an easing of pandemic-control measures. The potential for additional fiscal support and improved pandemic management could result in better-than expected growth outcomes in CY2022. For the US to sustain higher growth levels in the coming years, strategies and measures are

needed to improve the transparency of the borrowing process and spending of the borrowed funds. (Source: WB-Global Economic Prospect, Jan-2021)

### India

The outbreak of the pandemic in fourth quarter of FY2021 has hit India's informal sector hard, which accounts for about 4/5<sup>th</sup> of employment generation, and through which much of the population derive their livelihood. Pandemic outbreak reinforced the need for generation of low and semi-skilled jobs, particularly in the rural areas, undertake health care reforms and create a safety net to protect the vulnerable sections of the society and households.

In the short-term, good health-care infrastructure to deliver an efficient vaccination roll-out is imperative. In the medium term, achieving universal health coverage requires actions to address the inefficiencies in the Government insurance scheme. India will also have to formulate incentives to encourage reverse migration of population from the densely populated large and metro cities to tier-2 and tier-3 cities.

**World Bank** in January, 2021 predicted India's economy to shrink by (9.6%) in FY2021 and recover to about 5.4% in FY2022. World Bank's report mentioned that India's contraction is due to the sharp decline in the household spending, led by contraction to income and tepid private investments. The decline of the informal sector to meet demand has led to the business moving to the formal sector. The outcome of this shift to the formal sector has led to better tax compliance, which is getting reflected in the better monthly GST collections. The World Bank pointed out that the non-performing loans in the financial sector were high even before the outbreak of COVID-19, and this can further surge if there is no timely intervention from the Government. The big positive take away amongst all this is that the manufacturing and services sectors are recovering.

To create more jobs in the formal sector, a reduction of the administrative and regulatory burden on business is needed. This can be done by simplifying the rules to regulatory approval processes. The employment protection legislation also needs easing. In the formal, and more so in the public sector, the employment protection is high, discouraging formal hiring. (Source: World Bank and OECD Reports).

### Canada

The large layoffs in low-wage jobs has made this downturn widen the economic inequalities within the country. Support for people losing jobs and income need fast addressing. The policy should focus on providing measures that help workers find/retain jobs in the wake of pandemic. A permanent change to the income support may be required to make social safety nets more effective. Enabling more women to work full-time with fewer child-care breaks can reduce inequalities, while making most of the talent and experience.

The pandemic has brought out the shortfalls in the quality of residential care homes, prompting policy attention on how to improve services for the future. Wherever possible, social and health policy improvements should be financed through efficiency in savings achieved elsewhere in public expenditure, so as to avoid increasing the fiscal deficit and debt or need for tax hikes.

The non-tariff barriers arising from inter-provincial differences in product, service and labour regulations hamper the efficiency and productivity of its business sector. In an increasingly digitalised business environment, the pandemic highlights the importance of good access to high-speed and competitively priced broadband for both households and businesses. There is scope to make key sectors like telecom to be more competitive to drive the overall economic growth.

The path of the economic recovery will be inevitably linked to the evolution of the pandemic. Following an estimated shrinkage of (5.4%) in CY2020, the GDP is expected to grow by 4.4% in CY2021 as the pandemic abates. The recently approved “American Rescue Plan” by the US can give a fillip to Canada’s economic growth as well. Much improved oil prices, and better-than-expected domestic demand are important upside factors to the economic outlook. However, nascent recovery can be delayed by the new waves of the virus. (Source: IMF-WEO and OECD Reports)

### United Kingdom (UK)

The current economic outlook of the UK looks to be a subdued recovery with a downward bias. The rebound in the economic activity in the second half of CY2020 is presently facing headwinds from the second wave of the pandemic, Brexit-related uncertainty, increasing unemployment and stress in the corporate balance sheets.

IMF expects the UK economy to contract by (10.4%) in CY2020 and recover partially in CY2021 with a growth of 5.7%. Reduced capital accumulation, persistent unemployment and lower productivity growth will hold GDP 3-6% below its pre-pandemic levels. Inflation is likely to inch up to 2% gradually as subdued demand and rising unemployment is likely to mute the cost increases.

Fiscal policy should continue to accommodate the ongoing costs on health, job creation and support to small businesses. These have proven to be an essential temporary extension of the safety net. The recent adjustments to extend job schemes to tightly link them to the degree of pandemic impact are an important improvement.

Fiscal policy needs to provide an additional push to stimulate the recovery once the pandemic starts to subside and every opportunity should be taken to “build future better”. The planned expansion of the public

investments could help raise productivity and address regional inequalities. There is a case for going further than planned, provided projects can be well-targeted and managed. (Source: IMF Publications)

### Philippines

From the impact of COVID-19, the GDP contracted by (9.5%) in CY2020, a much steeper decline than during the Asian Crisis. The series of policy initiatives taken by the Government over the last decade kept the economy in good shape before the outbreak of pandemic. But the pandemic has turned out to be an extreme tail shock. Government has taken various steps, including a time-bound regulatory relief and forbearance measures, though the scale of loan moratoria and credit guarantees has been relatively limited.

With policy support and with easing of the control measures, the economy started to recover in the third quarter of CY2020 and is expected to grow by 6.5% in CY2021. While banks can withstand severe surprises in the baseline, they could experience a systemic solvency impact, if further downside risks emerge.

The distress to the corporate sector could be widespread even in the baseline and sharply rise in adverse scenarios, elevating credit risks to banks. In the baseline, banks’ total capital adequacy ratio may fall from 15.6% to 11.7% by CY2022; but it is still above the 10% minimum requirement. (Source: IMF Publications)

### Jamaica

The present healthcare crisis is having a major negative impact in Jamaica. The COVID-19 pandemic has severely and sharply dented the tourism industry and remittances. The economy is expected to contract by over (5%) in FY2021. Further, the government revenues are expected to decline sharply, while emergency healthcare expenses and economic support expenditures are likely to rise.

Jamaica’s balance of payments is likely to be negatively impacted on account of lower inflows from tourism and remittances, which prior to the outbreak of the pandemic accounted for about 20% and 15% of GDP. If this trend continues without much improvement over an extended period of time, the Jamaican Dollar could come under pressure.

The pandemic is having a multi-dimensional impact on the country. It is worth noting that the Jamaican government has taken measures to ensure that there is transparency and governance in Government spending on the procurement associated with the COVID-19 policy responses. The government has ramped up its recovery efforts by establishing a task force to respond to the economic impact of the crisis. In that regard, it has sought emergency financing from the IMF to protect lives and livelihood from the impact of the pandemic, which the IMF has obliged. (Source: IMF Publications)



## Industry Overview – Business Process Management ('BPM')

The global economy is presently going through a non-linear growth phase, on account of the relentless spread of the pandemic. This has led to an unpredictable and inequitable growth environment not only for most of the large and high-income economies, but also for many of the low income economies. Though this trend has moderated a bit, it is unlikely to reverse in a haste in FY2022, as the fears of second and third wave are yet to abate.

Though the multi-lateral agencies are expecting a recovery to the global economic growth rates for CY2021/FY2022, this growth is being achieved on a lower base, driven by easy credit and fiscal support. The twin effect of the supply chain disruptions and demand contractions are likely to persist in CY2021/ FY2022, which is expected to have a negative impact on the global economy.

As a result of the contraction to the global economy and an expected muted recovery, revenue visibility amongst the BPM companies has reduced to some extent. The revenue visibility, profitability and impairment of receivables depends on the vertical mix, client mix and the client tenure. The pandemic outbreak has led to disruption to the customer's way of life, thus reducing the number of recurring interactions and consequently the expected volumes. The verticals like travel, tourism, aviation, hospitality and logistics, etc., have been especially hit hard.

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

### Vendors have become value enablers-cum-partners:

To compete better in the customer's mind space and market place, the larger BPM firms are adapting and positioning their business based on their own customer experiences and feedbacks. The global corporations are altering the way businesses are being functioned, leaning more towards value-driven cum technology-led outsourcing model.

These corporations are open to expand and widen the scope of work with BPM vendors but are expecting the vendors to deliver more value. They are looking to expand channels across the customer lifecycle, leverage analytics, adopt automation and integrate the front office with the back office. The shift from labour arbitrage to value arbitrage in the BPM industry has become the norm

across client industries. HGS is a gainer of this shift as it has adapted to the changing needs of the clients.

Globally, the BPM industry is going through a digital transformation, 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.

BPM vendors are adapting to the changes for serving the clients' interests with greater efficiency and higher efficacy. Many such new methods of delivery models would be adopted in the near future, so that new clients can be acquired, and engagements with customers can be strengthened further. The pandemic has brought out the value of technology-led solutions for the BPM vendors as well as for its clients. Analysts have indicated that more digital technology has been adopted and being used by clients and consumers in the last few months than the last few years combined.

Earlier this year, HGS released a list of customer experience (CX) trends based on an on-the-ground forecast of what consumers are expecting in terms of their customer service experiences and what brands have to deliver in order to stay competitive. Some of the trends that are likely to manifest are listed below:

- The digital customer takes the lead. The first-time customers, who used digital channels during COVID, will continue to do so and could drive 40% increase in the digital transactions' volumes. (Source: Forrester)
- The client's trust is paramount. About 95% of clients want BPM vendors to implement physical protection cum distancing measures for Agents to help keep them safe and healthy. (Source: Prosper Insights/ Analytics)
- Remote work ushers in new opportunities to serve customers better with text messaging, round-the-clock support access and other tools to enable an immediate, digital first experience.
- As demand for digital experience increases, the BPM vendors are moving up the value chain by integrating the existing automated process with Artificial Intelligence into processes and work flows.
- It is fairly possible that by CY2024, the global organisations are likely to lower the cost of operations by 30% by combining the hyper-automation technologies with redesigned operational processes. (Source: Gartner)
- Redefine workplace flexibility – nearly 3x as many workers are likely to work from home on a permanent basis. Hence, Cyber-security becomes a top priority with a shift to remote work and increased digital services. (Source: Willis Towers Watson)

- Diversity and inclusivity becomes essential as employees from different countries, language, ethnic, cultural, social and educational backgrounds are going to be the key drivers of innovation and marketing.

Some more probable trends that are expected to have an impact on the BPM industry in the coming years are listed below:

**Client Data Platforms (CDP) offers 360-degree view:**

The client engagement is driven by customer data. But an understanding of the client feedback does not reveal much about the client experiences. To get the full picture of the customer service needs, vendors have to understand the customer behaviour across the ecosystem. The solution is to create a CDP and combine it with customer journey analytics, which creates a unified 360-degree view of the customer. It is expected CDPs will give the customer care and marketing teams the ability to track the history of a customer to deliver hyper-personalized messages, and extend tailor-made offers, and predict future needs and trends.

**Artificial Intelligence (AI) and Machine Language (ML) to boost Live Agent support:**

The client service industry has always been burdened by costly labour attrition due to repetitive chores, which some contact centre agents are faced with on a daily basis. AI and ML technologies can enhance live agent support and help overcome this industry-wide recurring problem. We, at HGS, expect the new customer care solutions, driven by AI and ML, to bring together the empathy of agents with the efficiency of the bots, thereby, giving a much improved and cost-effective customer experience.

**BPM vendors are reworking their business models:**

The Customer Relationship Management ('CRM') industry will witness a shift as BPM vendors disrupt the traditional business models by becoming more creative by offering value propositions through technology innovation and pricing. These include adopting a Total Cost of Ownership ('TCO') approach, gain-sharing models or contractual incentives focused on driving value using innovation. TCO approach is likely to bring non-linearity to the business model and can enhance the profitability.

**Amazing social-media customer experiences:** At present, the new generation of digital natives are turning to social media for help and are expecting more than just a response. The challenge for many brands is that they are seeing a big growth in the social volume year after year but retention of staff is suffering due to the limited budget allocations.

Thus many leading brands are now partnering with companies like HGS to not just simply respond to customers but also take their social care to the next level by leveraging a powerful combination of automation, bots, analytics and human touch. The teams are also better

trained in responding and resolving issues in-channel using a creative brand voice. This has resulted in more channel checks, shares, comments, retweets and a positive brand reputation in the mind-space.

**Analysis of the BPM industry:**

According to Gartner, the global BPM spend between 2017-2022 is likely to see a CAGR growth of 5% to reach US\$207 billion in FY2022. Traditional BPO services led by voice will continue to dominate; but Business Process as a Service ('BPaaS') is growing much faster and would account for about 30% of the spend in FY2022.

According to the Everest Group, at the end of CY2020, the BPM services market size is estimated to be US\$243 billion, and this is expected to increase to US\$254 billion in CY2021 and US\$336 billion by CY2025.

The NASSCOM Survey of industry leaders in January 2021 highlighted four key findings:

- 97% of the CEOs believe that the global economy will be in much better shape in CY2021 than it was in CY2020.
- 95% of the CEOs believe the hiring in 2021 will be robust, demonstrating highest-ever confidence in tech hiring outlook.
- 71% of the CEOs expect the global spend to go up by more than 4%, demonstrating highest-ever confidence in the tech spending growth.
- 70% of the CEOs expect remote working to constitute about 50% of the total workforce in 2021.

According to the NASSCOM Survey of the top CEOs of the previous year, the top 2 spending areas for IT and BPM were: digitizing the core business than just silos and enhancing the 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:**

From the BPM vendors' perspective, there is a convergence of business services and digital technologies, with companies focusing on building technology capabilities related to automation, analytics and cloud, and creating new and more focused revenue streams and business models.

BPM vendors are witnessing 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 and making automation and analytics an integral part of the delivery model.

From clients' perspective, there is a 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.

In FY2021, the Indian BPM industry is estimated to have grown at 2.3% to reach US\$38 billion in revenues.

The US and the UK remain the largest markets while Asia Pacific ('APAC') is emerging as a new growth region. In terms of verticals, Banking, Financial Services and Insurance ('BFSI'), life sciences and healthcare were the key growth drivers, and are expected to create huge opportunities in the next few years too.

The Indian BPM industry is hoping to move the service 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 the Philippines BPM market:

The Philippines BPM industry continues to grow as more industries look to outsource and offshore different specialized and routine functions. With an enviable reputation as a provider of affordable and efficient offshore resources and the close cultural alignment to the US and West, the BPM sector has now become the single biggest contributor to its economic activity.

According to the IT and Business Process Association of the Philippines (IBPAP)'s report in April 2021, the Philippine IT/ BPM industry demonstrated resilience in the face of unprecedented global disruption, adding 23,000+ jobs and generating revenue of US\$26.7 billion in 2020. At the end of the year, the full-time equivalent ('FTE') headcount employed was 1.32 million. A significant part of this workforce and revenue generation supports the BPM industry. The growth was driven by verticals such as healthcare, retail/ eCommerce, banking, F&A and insurance while travel and hospitality verticals were severely hit.

The IBPAP report also mentions that their survey of IT/ BPM companies reported a more optimistic business outlook, where recovery and rebound is expected in CY2021.

#### Trends in verticals where HGS has exposure

##### Healthcare

Ever since COVID-19 hit globally, the pandemic is still raging, as deaths and Covid cases strain the hospitals and primary health care centers resources.

Amidst all the scrambling, providers and payers are adjusting to a new normal, which is likely to continue for few more years, if not beyond. Though arrival of vaccines has prompted the hope, the rollout has been slow and fragmented, and it is left up to each state and provinces to decide how to disseminate and administer the vaccines shots.

These factors have accelerated moves towards value-based care and have led some providers to inquire about partnering or acquiring insurance assets as the pandemic exposed the risk of relying on fee-for-service models. At the same time, consumers/ patients are likely to seek continued access to telehealth/tele-medicine, made widely available as an alternative to in-person care.

The pandemic also served as a grim reminder of the stark health inequities that exist in across the world, as the coronavirus has disproportionately infected and killed numerous people across the world. Here are four emerging trends that be likely to play out in CY2021 through CY2022.

- **Hastening value-based measures and insurer firms**

Providers especially those heavily reliant and based on the fee-for-service reimbursement were hit last year, when they were forced to halt services to help stem the spread of the pandemic. If, there was an upside, it may have given the extra push providers need to jump into more value-based payment arrangements, a move many hope is likely to ultimately curb health spending in the US as payers reimburse for improved outcomes as opposed to volume. Health systems have openly acknowledged they are on the hunt for health insurer deals and partnerships. A recent report from consultancy firm Kaufman Hall echoes the same sentiment, noting it expects a drive in payer-provider partnerships as a result of the pandemic.

Healthcare leaders have touted the benefits of being a fully-integrated health system as it provides them a diversified revenue stream to weather the pandemic. The shift toward value will force providers to move upstream, by focusing more on how to keep patients healthy and less on sick care.

- **Payer shift, erosion in commercial plans**

The pandemic drove staggering job losses, as many of the workers tend to rely on their employers for health insurance coverage. Not every job resulted in a loss of coverage as some employers' furloughed workers (and their dependents) could maintain the insurance cover amidst a global pandemic. But early estimates are indicating that as many as 15 million may have lost the insurance coverage. Some experts expect it will be the greatest loss of coverage ever recorded.

As such, the providers are bracing for an increase in Medicaid and self-pay patients over the next year. A rise in these types of patients is likely to pose a financial strain for the providers that the prize patients with commercial coverage due to the higher reimbursement rates compared to the government programs.

At the same time, as more people lose coverage and turn to programs such as Medicaid, states in US will see their rolls grow at a time when state budgets are

strapped, putting pressure on lawmakers to reduce spending in this area.

- For some of the payers, this new market dynamic will be a tailwind as their core business is selling Medicaid and marketplace coverage. At the same time, states have suspended redeterminations, halting or kicking Medicaid members off the program during the pandemic, which has led to constant and consistent growth for these payers. The suspension of redetermination is a real catalyst for membership growth. According to some experts, this growth can well sustain in to the next year as well, if the pandemic doesn't abate by the first half of CY2021.

- **Continued focus on telehealth**

The pandemic resulted in a surge of tele-health appointments as doctors, health systems and patients were either forced to curb in-person interactions or opted for online meetings to meet the social distancing norms amidst the pandemic.

Many in the industry have acknowledged it will be hard to dial back this offering after ushering in such prolific access for patients, many of whom crave easier and speedy access to appointments.

However, experts worry these types of visits could lead to overuse and an accompanying explosion in the costs, especially for public health programs like Medicare, which already faces financing challenges in the near to medium term. The members of the advisory committee overseeing Medicare have expressed such concerns as they help shape future payment policies around telehealth.

"Demand for telehealth and telemedicine is likely to remain above the pre-pandemic usage levels as consumers recognize the convenience of digital services; health systems will need to adapt to a new balance between virtual and in-person visits," Kaufman Hall said in one of its latest reports.

- **Tackling inequity**

Last, but not the least, the global pandemic has further exposed the deep inequities in the global healthcare system as people of lower income groups are dying at faster rates in comparison to their well-to-do counterparts. It has forced a reckoning and rethinking across the healthcare industry. Leaders of some of the World's largest health systems vowed to do their part to improve the health outcomes, particularly in more vulnerable communities and in many of the low income countries.

### **Some of the ongoing trends and challenges**

Stakeholders in the healthcare vertical are implementing the payment reforms like value-based payment models, as this is likely to help the providers, payers and the patients realise the best outcomes at the lowest costs.

Technology-enabled patient engagement strategies are enabling increased financial independence for the

patients in their healthcare decisions, in addition to improving interactions with health care systems.

The 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 many years for the global healthcare industry, and more so in the US, which has to deal with slew 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 more so 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.

### **Telecom and Media**

The pandemic outbreak has changed the way organizations work, the channels through which they communicate, to the solutions they expect from the service providers. As the pandemic is expected to last through CY2021, the service providers are coming up with innovative offerings and solutions to make the business operations run smoothly and efficiently.

One can assume that most of the telecom trends in 2021 is likely to be guided by the challenges and demands created by the ongoing pandemic. Business telephony will be innovating features that support remote working, remote learning, and remote collaboration as these three have now become essential rather than a mere convenience. Some of the trends that the industry will witness in CY2021 are:

- Additional features that are likely to ensure that there are no disruptions to the remote workflow model and collaborate through cloud based technologies.
- Through 5G, the need for reliable connectivity and better bandwidth will become more pronounced in the wake of the pandemic. In the current landscape of remote working and digital collaborations, 5G roll-out is essential.
- Remote working has made organizations rethink the purpose, utility and usage of smartphones. Rather than using desk phones or separate cell phones for office work, professionals and entrepreneurs want their personal phones to double as work phones.
- For the last few years, businesses have been opting for solutions that enable them to have all information in one place. This trend will continue through CY2021 with cloud-based solution offerings.



- As more and more telecom service providers are switching to open to cloud-based technologies, there will be continued focus on data integrity and cybersecurity, which telecom companies are investing heavily in.

#### **Some of the ongoing and evolving trends**

There is a non-stop 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 to 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, 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 decade. In India and in many of middle income countries, the fixed line subscribers are returning their connectivity back to service providers. With the easy availability of sim-cards mobile penetration has reached 90% in many of the advanced and middle income countries.

HGS has no exposure in the Indian telecom market currently but derive revenues from telecom and media verticals from Canada, US and UK.

#### **Consumer and Retail**

With the outbreak of the pandemic, the consumer facing industries are currently going through a massive revolution. The customer behaviours are fast changing and their expectations are higher than ever. Hence, retailers are adopting evolved strategies to ensure that their businesses stay relevant and successful for years to come. Here are some of the retail industry trends that the various branded retailers are embracing/ adopting in order to keep their companies thriving amidst the pandemic.

- Investing in omni-channel retail strategies.
- Attending to the growing consumer culture of immediacy by quick response.
- Embracing digital payment by targeting consumers across all age groups.
- Expanding into new and emerging markets through channel partners.
- Providing a personal shopping experience.

#### **Some of the ongoing and evolving trends**

Some recent factors are driving consumer and retail companies to accept and adopt new initiatives and technologies to better understand and engage with consumers. These include the rise of new retail formats

through digitization and online product displays, focus on experiences – from real-time access to product information catalogues, reviews, benchmarking against competition, to actual buying, convergence of the point of engagement and point of transaction, etc.

The companies are taking advantage by being early adopters of trends like the Internet of Things (IoT), 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.

#### **Banking, Financial Services and Insurance (BFSI)**

Internet and mobile banking has become the most dominant trend in the industry. With the use of a smartphone, various banking procedures can be performed, like checking account balance, fund transfer and bill payments, without the need of visiting the branch. Mobile banking has taken over the traditional banking systems, and in the last one year, its usage has dramatically increased. In the coming years, mobile banking is expected to become even more efficient and effortless to keep up with the customer demands.

Mobile banking future trends hint at the acquisition of IoT and Voice-Enabled Payment Services to become the reality of tomorrow.

Block chain technology works on the basis of computer science, data structures and cryptography and is the core component of digital currency. It is said to be the future of the banking and financial services industry. Block chain uses technology to create blocks to process, verify and record transactions without the necessity to modify it. Block chain technologies are expected to reduce the chances of fraud, enhance transparency, speed up the transaction process, create an un-hackable database and lower human intervention. Several aspects of the banking and financial services like payment systems and settlement systems of the various financial and commodity markets are predicted to be impacted.

#### **Some of the ongoing and evolving trends**

With mobile devices (like tablets, high-end smart phones) having become a channel of choice for consumers, BFSI firms are investing in technology platforms to deliver a personalized and anytime-anywhere availability. Banks are also investing in new value-added services like online channels and loyalty programs to increase the customer base and traffic. For Banks, digital services offer an alternative opportunity to maximize revenue by target profiling and proactive selling.

As BFSI-targeted BPM services are likely to grow noticeably, led by demand for providing Omni-channel services, that are mobile, social and personal, with differentiated customer service and programs specific to high-value clients.



Self-service is another solution that can be leveraged to increase revenues through cross-selling/up-selling. BFSI companies are now exploring to enhance their consumers' IVR experience by placing visual menus on the 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. In times of pandemic, such technological experiences are going to be in demand as it reduces the necessity to interact in person.

### Public/Government

With customers and citizens, particularly from the millennial (Y and Z) generations, expecting customer service from the public sector to be on par with the private sector, the government departments and the related organizations are revamping and overhauling their outreach programs. The sector is moving towards providing more customer/citizen friendly and interactive services, leveraging tools such as Omni-channel to increase accessibility to end-consumers.

Apart from strengthening the customer relationships, these tools help governments to synchronize and store data. BPM vendors are supporting governments to perform various functions such as e-governance initiatives, taxation, asset registration, pensions and welfare programs, as well as financial assistance for the unemployed, in a cost-effective manner.

The world over, governments are looking to leverage technology to digitize and automate processes to use the stored data to create a more efficient, cost-effective and user-friendly system. The objective of the exercise is to widen the scope of activities and deliver better customer experience, as Government internal resources focus on core activities.

### Business Overview

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

HGS is a global leader in BPM services' business and optimizing the customer experience lifecycle. HGS' mission is to help transform its clients' operations, 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 revenues, improves operating efficiencies and helps clients retain valuable customers. HGS' expertise spans the healthcare, telecommunications media, technology, insurance, banking, consumer electronics, packaged goods, retail and public sector verticals.

HGS operates on a global landscape with 39,889 employees at the end of FY 2021, with 56 delivery centres

worldwide, delivering localized solutions. HGS has a strong presence in India (serving the offshore clients), Philippines, UK, US, Canada, Jamaica and MENA.

### Revenue by Origination

In FY 2021, US-originated revenue accounted for 73% of total revenues, as compared to 71% in FY 2020. The trend of US-originated revenues continued its linear path for the 7<sup>th</sup> year in succession. In FY 2014, the US-originated revenues were at 59%, which has increased to 73% in FY 2021. US-originated revenues are delivered from centres based out of US, India, Philippines, UK & Europe and Jamaica.

In FY 2021, revenue originating from Canada in CAD terms were at 11% while UK-originated business in GBP was at 9% of total revenue.

### Onshore to Offshore/ near-shore Revenue Mix

The 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 49.9% to 50.1% in FY 2021. The offshore/near shore ratio has improved by 1,310 Basis Points over the past seven 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 2021, stood at 68%. The digital revenues accounted for about 8.3% of FY 2020 revenues while the balance revenue came from transaction processing. In FY 2021, digital revenues accounted for 8.8% of total revenues, growing by 8.0% over FY2020.

### Revenue by Vertical

Healthcare vertical sustained its growth momentum in FY 2021 as well. In terms of contribution, it accounted for 56% of FY 2021 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 14% in FY 2021. 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 2021, it was at 10%.

The share of revenues from BFSI vertical increased from 7% in FY 2017 to 8% in FY 2021. The share of revenues from other verticals was at 12% at the end of FY 2021, as against 11% in FY 2020.

## Discussion on Financial Position

### Property, Plant, Equipment and Intangible assets:

The net block of assets as of March 31, 2021 was ₹5,395 million as compared to ₹6,138 million in March 31, 2020, representing an absolute decrease of ₹743 million during the year under review and in percentage terms, it was 12.1%.

On transition to Ind AS 116 - Leases, HGS recognised right-of-use assets amounting to ₹6,976 million (including the 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 on March 31, 2020 was ₹7,798 million. The Right to use asset balance as of March 31, 2021 is ₹6,988 million.

### Goodwill:

As of March 31, 2021, goodwill was ₹3,397 million as compared to ₹3,392 million in March 31, 2020. Goodwill is tested for impairment.

### Investments:

It mainly comprises of Treasury bills at overseas location. As of March 31, 2021, investments were ₹48 million as compared to ₹103 million in March 31, 2020.

### Other financial assets (Non-current):

It comprises of security deposit, margin money deposit and other long-term deposits. As of March 31, 2021, the amounts were ₹713 million compared to ₹610 million in March 31, 2020.

### Deferred tax assets (net) [DTA]:

DTA as of March 31, 2021 were ₹696 million as compared to ₹1,048 million in March 31, 2020. This comprises of ₹267 million of DTA on account of right of use of asset and lease liability pursuant to transition to Ind AS 116 – Leases and a Deferred Tax Liability of ₹63 million on account of cash flow hedges.

### Income tax assets (net):

As of March 31, 2021, amounts were ₹878 million as compared to ₹827 million in March 31, 2020.

### Other non-current assets:

Other non-current assets include of capital advance, prepaid expenses and other receivables. As of March 31, 2021, the amounts were ₹267 million as compared to ₹276 million in March 31, 2020.

### Trade receivables:

As of March 31, 2021, trade receivables from the customers were at ₹12,305 million as compared to ₹9,893 million in March 31, 2020, after making allowance/provision for doubtful debts.

### Cash and Bank balances:

As of March 31, 2021, cash and bank balances were at ₹5,300 million as compared to ₹5,308 million in March 31, 2020.

### Loans (Current):

As of March 31, 2021, amount of ₹5,208 million consists of loans to related parties of which ₹3,595 million were for working capital finance. The same as of March 31, 2020, were at ₹4,323 million and comprises of loans to related parties during the year of ₹3,400 million for working capital finance, and the balance represents loans given to a third party at an overseas entity in earlier years, that are now re-classified as Current Loans. These loans are made on normal commercial terms and conditions and at market rate.

### Other financial assets (Current):

It comprises of security deposit, interest accrued and derivative gains. As of March 31, 2021, the amounts were ₹476 million as compared to ₹165 million in March 31, 2020.

### Other current assets:

The Other Current Assets comprises of balance with government authorities, vendor advances and prepaid expenses. As of March 31, 2021, the amounts were ₹1,162 million as compared to ₹747 million on March 31, 2020.

### 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, 2021 was ₹208.77 million, an increase of 11,322 equity shares during the year.

The Company issued 1,965 equity shares of ₹10/- each pursuant to the exercise of stock options by certain employees under the “Employees Stock Option Plan, 2008” and 9,357 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 ₹16,986 million in March 31, 2020 to ₹20,640 million in March 31, 2021.

### Borrowing (Non-current):

As of March 31, 2021, the total long-term borrowings were ₹1,913 million as compared to ₹3,020 million in March 31, 2020. The Company repaid gross debt of ₹2,146 million from the operating cash flows during FY 2021, as compared to ₹669 million in FY 2020.

**Lease liability:**

HGS has adopted Ind AS 116 - Leases with the initial date of application being April 1, 2019. Thus, HGS 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. As on March 31, 2021, the non-current and current portion of the lease liability was at ₹6,646 million and ₹1,212 million 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, 2021, the amounts were ₹40 million as compared to ₹533 million as on March 31, 2020.

**Provisions (Non-current):**

Provision comprises of pension obligation and gratuity (as per actuarial valuation performed by an independent actuary). As of March 31, 2021, the provisions were ₹2,095 million as compared to ₹1,331 million on March 31, 2020.

**Deferred tax liabilities (net) [DTL]:**

DTL as of March 31, 2021 were ₹30 million as compared to ₹271 million in March 31, 2020. Major components of DTL are due to temporary differences to the Property, Plant, Equipment and Hedge reserve.

**Contract liabilities (Non-current):**

It mainly comprises of Income received in advance from customers. As of March 31, 2021, the amounts were at ₹102 million as compared to ₹15 million in March 31, 2020.

**Borrowing (Current):**

As of March 31, 2021, total short-term borrowings were ₹1,009 million as compared to ₹1,970 million in March 31, 2020.

**Trade Payables:**

As of March 31, 2021, the trade payables were at ₹3,836 million as compared to ₹2,818 million in March 31, 2020.

**Other current financial liabilities:**

Other current financial liabilities consist of current maturities of the long-term debt, lease obligations, Interest accrued, capital creditors, unpaid dividend, employee related payables and derivative loss. As of March 31, 2021, those amounts were at ₹3,458 million as compared to ₹3,374 million in March 31, 2020.

**Provisions (Current):**

Provision comprises of pension obligation and leave encashment liabilities (as per actuarial valuation

performed by an independent actuary). As of March 31, 2021, provisions were ₹813 million as compared to ₹578 million in March 31, 2020.

**Contract liabilities (Current) :**

It mainly comprises of income received in advance from customers. As of March 31, 2021, the amounts were at ₹239 million as compared to ₹65 million in March 31, 2020.

**Current tax liabilities:**

As at March 31, 2021, the amount was ₹251 million and as at the end of March 31, 2020, the amount was ₹301 million.

**Other current liabilities:**

Other current liabilities comprise of advance from customers, statutory dues payable and deferred revenue. As of March 31, 2021, the amounts were ₹956 million as compared to ₹683 million in March 31, 2020.

**Operational Review**

During the financial year under review, the Company has been communicating to all its stakeholders, that the focus of the Company is to grow its 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, improve return ratios become net-cash, and increase dividend payout, with the approval of the Board.

Looking at the financial numbers for FY 2021 under review, on a like-to-like basis (Excluding India Domestic CRM Business sold in January 2020 and had exited certain contracts which had "pass through" revenues) FY 2021 has seen organic revenue growth of 10.3%, as against 9.5% achieved in FY 2020. Of the growth over FY 2020, 4.3% is on account of exchange variations.

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

On a like-to-like profitability, the EBITDA (computed excluding Other Income) improved by 16.0% on account of improvement in performance of healthcare business, improvement to the business in Canada and UK.

In FY 2020, applied Ind AS 116 on Leases as issued by the Ministry of corporate affairs (MCA) in March 2019. HGS has applied the 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 ₹1,475 million in depreciation and amortisation expenses, increase in finance cost of ₹629 million and decrease in other expenses of ₹1,798 million. The overall impact on

the above is decrease in profit before tax of ₹306 million during the year FY 2021.

During FY 2021, from the free cash flow generated, the Company increased Cash & Cash Equivalents by ₹66 million, enabling the net debt to equity at NIL in FY 2021 as against 0.04x in FY 2020. Overall Debt at the end of FY 2021 stood at ₹3,936 million as against ₹6,042 million in FY 2020.

### Key Financial Ratios

Ratios	FY2021	FY2020
Debtors Turnover	5.0	4.9
Current Ratio	2.1	1.9
Debt Equity Ratio	0.2	0.3
EBIDTA Growth	7.9%	62.4%
Net Profit Growth Ratio	63.4%	16.6%
Interest Coverage Ratio	6.0	4.4
Operating Profit Margin	8.3%	7.4%

The above ratios represent the key financial ratios, as applicable to the Consolidated financial statements of HGS. 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 increase in interest coverage ratio is due to the increase in Earnings before Interest and Tax and decrease in interest expense on lease liabilities in FY 2021 as compared to FY 2020.

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

During FY 2021, HGS expanded its home agent footprint in Canada, which is helping us overcome labor shortages that we have faced in Canada in the past. Because of that strategy, we could combat the pandemic led disruptions reasonably well.

Jamaica is an attractive near-shore location for the company, mainly due to its proximity to the US and available talent pool. During FY 2021, revenues from Jamaica grew by 37.4% over FY 2020. Once pandemic abates, there is a scope for further growth with increase in utilization of existing capacities. The revenues from the UK in FY 2021 were around 87.4% higher than the

previous year.

HRO business continues to do well and add clients for its payroll processing, staffing and compliance services. The revenues of the HRO business grew by about 2.5% in FY 2021. This business, which began with payroll processing, has steadily expanded its services offering to include compliance services, staffing, managed services, recruitment and finance and accounting services.

For FY 2021, Philippines continued its business expansion, reporting a 5.4% YoY growth in PHP terms. HGS expanded its Iloilo centre while consolidating its centres in Manila at its new Bridgetown centre. The healthcare and financial services verticals were the primary drivers of growth in this region.

Globally, HGS 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 has signed several engagements related to this area in FY2021.

The feedback that HGS has received from its clients over the last year and over the 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' digital offerings under the HGS Digital brand continued to gain traction in the year. During FY 2020, 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.

### Delivery Centres

At the end of FY 2021, HGS had 56 delivery centers in seven countries, down from 61 delivery centers reported in FY 2020. This drop in the number of delivery centers is on account of consolidation of some centers and adoption of our hybrid working model comprising on premise and Work@Home delivery.



## Customer Additions

During FY2021, HGS signed 70 new clients across BPM and HRO. The total number of active clients at the end of FY2021 was at 254 BPM clients and 708 HRO/payroll / F&A clients. 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.

## Human Capital

HGS had a headcount of 39,889 as of March 31, 2021 as compared to 37,460 as of March 31, 2020.

HGS' human capital philosophy revolves around creating an inclusive, results-oriented and high-performance culture that consistently delivers quality service to clients by motivated employees. 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 leverages 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.

With the rapid expansion of the COVID-19 pandemic in early FY2021, it was important for HGS to take relevant actions to ensure business continuity, basis both client and government mandates, while keeping our employees' safety as our topmost priority. HGS acted deliberately and decisively to limit the impact of COVID-19 on our business, including rapidly enabling Work@Home (W@H) capabilities across our delivery teams. Most of our employees globally were moved from Brick & Mortar (B&M) to the W@H model.

In the backdrop of this, our people approach has been further refined to help support the hybrid-located workforce that has mostly operated from home, with a couple of thousands catering to essential services still working on premise with all precautions in place. This included shifting all our processes to a virtual environment – right from recruitment and onboarding to training, learning and engagement.

HGS strengthened its engagement with our people through technology, communication and support, and created regular touchpoints and one-to-one connects to keep the spirit high and drive reassurance. Policies and employee programs have been appropriately tweaked to enable a virtual workforce and ensure their wellness and safety.

As a company operating in a people-centric industry, HGS continues to invest in employee competency development and enabling positive behavioural changes. With the pandemic impacting the way we work, HGS is focusing on the skills required to efficiently work in the new environment while keeping up-to-date with the latest

trends. 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 has also invested significantly in its talent acquisition by developing and deploying several technology-led tools to support virtual hiring and onboarding. In FY2021, we hired over 16,000 employees all virtually (both backfill and growth). These include expanding access to a wider talent pool, managing candidate applicant flow through automated screening and selection, performing remote assessments, conducting interviews through asynchronous video platforms, and using an electronic/digital offer management platform for rolling out appointment letters.

HGS' people practices are helping establish us as a preferred employer. During FY2021, we conducted our Employee Satisfaction (ESAT) Survey and received an 86% response rate, despite the disruption on account of COVID-19. The overall employee experience index (EX Index) for FY 2021 increased significantly to 66.9, up from 58.7 in FY 2020. 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.

## HGS' response to COVID-19

COVID-19 pandemic has impacted the business and people alike. Since March 2020 when the pandemic became a global crisis, based on the local situation, we have seen governments and local agencies issuing different guidelines and protocols in the different geographies we operate in.

Our Business Continuity and Stability strategies and campaigns are operating in full force with new play books 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 from office locations in the Philippines and Jamaica - where we are strictly following social distancing and hygiene measures.

HGS has been doing well in terms of delivering support to clients in this period. Client feedback has been 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 packaged its solutions to cater to an environment dealing with the impact of COVID-19, where business continuity and stability is top of the priority. These are nursing triage services, digital-led solutions like 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 employees to screen for any health issues before reporting to work. These are all part of our social distancing initiatives.

### 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 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 has increased with strong and consistent commitment to keeping a steady drum beat of buyer education & news such as: analyst briefings, thought leadership creation, events speaking and awards & recognition.

In FY 2021, several analyst and advisor firms such as Gartner, HFS, NelsonHall, Everest, Forrester and ISG published reports and articles recognizing HGS as:

- Gartner Magic Quadrant Leader in Customer Service BPO

- A "Leader" in NelsonHall Social Media CX Services NEAT 2020
  - i. Customer Care and sales Capability
  - ii. Online Reputation Management Capability
- A "Leader" in NelsonHall CX Services in Telecom & Media NEAT 2020
  - i. Revenue Generation Capability
  - ii. CX Improvement Capability
- Top 10 Healthcare Sector Service Providers" report, HFS
- "Leaders" in ISG Provider Lens™ 'Contact Center - Customer Experience Services - Global 2020'
  - i. Digital Operations
  - ii. AI & Analytics
- Booming 15 - Service & Technology Provider Standouts – EMEA in the ISG Index™ Global Sourcing and As-a-Service Market Insights
- Included in the Everest Group BPS Top 50™ 2020 and "Major Contender" In Customer Experience Management (CXM) Service Provider Landscape with PEAK Matrix Assessment 2020

In FY 2020, HGS Digital has been recognized for the second year in a row by Frost & Sullivan for its complete Social Media Customer Care solution. HGS EPIC™ social care program is designated best-in-class for customer value leadership. HGS Digital was also presented The Cloud Computing Excellence Award by TMC Magazine for most effectively leveraging cloud computing to bring new, differentiated solutions to the market. HGS ranked in Training Magazine's top 100 training organizations for the third year in a row (previously named as Training Top 125). HGS PULSE™ received two distinct awards for Intelligent Innovation – one by TMC and CUSTOMER magazine for customer experience innovation and the other by 12th Annual 2020 Golden Bridge for Innovative in the 'Business Products'. In response to the global pandemic, HGS received the "HIGHLY COMMENDED" award position for Responding in a Crisis - Best Partnership Solution category by ECCCSA due to the rapid transition to work at home.

### Competitive Advantage

The COVID-19 crisis has proven HGS to be a partner that is uniquely Ready, Resourceful, Resilient. HGS is well positioned competitively because of its strong balance sheet, diversified client portfolio and credentials as a recognized global leader. As part of the Hinduja Group, HGS has very little debt and significant cash on hand, enabling it to invest in its people and clients. HGS is well prepared to address the business needs of the COVID-19 crisis with its proven Work@Home™ program (W@H) and global HGS W@H Center of Excellence (CoE) that transitioned a majority of HGS' work to virtually based talent.

**HGS helps 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, 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' continuous improvement tradition, combined with investments in HGS Digital, has led to CX Optimization capabilities and a process branded HGS LeanOps™ that helps quickly identify business processes that can be improved with analytics, automation and use of Artificial Intelligence. HGS has approached the COVID-19 crisis by helping our clients leverage alternative channels, implement automation, and deploy flexible cloud architecture to move with speed to address unpredictable demands.

**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 foundational fundamentals such as how to hire, train and retain top talent and then looks for intelligent innovation benefits to drive results consistently.

**HGS grows with its clients** and helps them along the digital transformation journey, creating value through innovation. The 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 – and helping customers... Get the right answer fast™.

**HGS has a proven method for right-shore outsourcing** with local onshore capabilities as well as key nearshore and offshore locations. HGS currently delivers services out of 56 centres in 7 countries.

**HGS has strong leadership with deep domain expertise.** The award winning management team 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.

The pandemic has rapidly developed 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.

COVID-19 pandemic has changed the way businesses are conducted and operationalized. The extent to which the pandemic will continue to impact our businesses and results of operations will depend on the future developments that are currently difficult to predict and are outside of our scope and control, including the distribution and effectiveness of the vaccines and the future mutations of COVID-19.

### Global Pandemic COVID-19 related risks

- There is uncertainty caused by COVID-19 across sectors and in all geographies that we operate in. The disruption to economic activity has slowed and all our industry verticals can be impacted further in the future.
- 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 may change because of the 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 the 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 increase in 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 or loss of skilled manpower can result in productivity loss, impacting the profitability.
- Technology changes related to RPA, Analytics and Multi-Channel Digital transactions, can impact the volumes and ability to deliver traditional services.
- Any increase in minimum wages in any of the geographies that HGS operates, might impact its profitability negatively.

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 the processes in response to, could result in impairment/ damage to our reputation in the market place and HGS can 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:

- **Strategic 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;
- **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;
- **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, can lead to potential loss resulting from inadequate or failed processes, people and systems or from external events;
- **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
- **Regulatory & Compliance Risks:** Risks arising out of inadequate compliance to regulations, contractual obligations and violations leading to potential litigation and loss of reputation.

### 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, historical 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 and 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 the applicable accounting standards, safeguarding of assets against unauthorized use or/and disposition and compliance with all the 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 2021.

#### 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 'E'

# TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company.

Your Company is inspired and guided by the pioneering thoughts "My dharma (duty) is to work so that I can give" of late Shri Parmanand Deepchand Hinduja Founder of the Hinduja Group. Your Company is a socially responsible corporate and has undertaken and implemented CSR activities for the upliftment of the economically and socially disadvantaged communities and shall continue to do in future. The prioritized areas for CSR activities of your Company include: Education, Sustainability Development, Health Care and other philanthropic and humanitarian activities.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Harish	Independent Director	2	2
2	Mr. Sudhanshu Tripathi	Non-Executive Director	2	2
3	Mr. Partha DeSarkar	Whole-time Director	2	2

During the year, the CSR Committee meetings were held on September 03, 2020 and March 23, 2021.

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

- Composition of the CSR Committee: [www.teamhgs.com](http://www.teamhgs.com)
- CSR Policy: [www.teamhgs.com/investors/corporate-policies](http://www.teamhgs.com/investors/corporate-policies)
- CSR projects approved by the Board are disclosed on the website of the company: [www.teamhgs.com/investors/other-reports](http://www.teamhgs.com/investors/other-reports)

### 4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not applicable**

### 5. Amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Not applicable**

### 6. Average net profit of the company as per section 135(5) : **₹22,380.51 Lakhs**

### 7. (a) Two percent of average net profit of the company as per section 135(5): **₹447.61 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**

(c) Amount required to be set off for the financial year, if any - **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹447.61 Lakhs**

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
Amount	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
481	-Not applicable-				



## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration (year)	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State/ District						Name	CSR Registration number
1.	Youth Livelihood Program	Livelihood Enhancement	Yes	Hyderabad	1	40	40	-	No	Magic Bus Foundation	CSR00001330
2.	Mid-Day Meal Program	Education	Yes	Bangalore	1	50	50	-	No	Akshaya Partra Foundation	CSR00000286
3.	Holistic development	Education	Yes	Bangalore	1	25	25	-	No	Learning Links Foundation	CSR00000640
4.	PwD Skilling program	Welfare of Persons with Disability	Yes	Bangalore	1	28	28	-	No	Samathanam Trust for the Disabled	CSR00000063
5.	Smart Class Program	Education	Yes	Chennai	1	20	20	-	No	Yuva Unstoppable	CSR00000473
6.	English Education Program	Education	Yes	Bangalore	1	10	10	-	No	Step-up for India	CSR00000745
7.	Water for Schools	Water	Yes	Bangalore	1	25	25	-	No	Jaldhaara Foundation	CSR00004069
8.	Water Project	Water	No	Alwar	1	25	25	-	No	Hinduja Foundation	CSR00002326
9.	Dharam Hinduja Merit cum Means Scholarships	Education	Yes	PAN India	1	60	60	-	No	Hinduja Foundation	CSR00002326
10.	Saksham Program - Rural School Project	Education	Yes	Bangalore	1	100	100	-	No	Hinduja Foundation	CSR00002326
11.	Gyan Shakti Program - Urban School Project	Education	Yes	Mumbai	1	20	20	-	No	Hinduja Foundation	CSR00002326
12.	Water Conservation & Cultural center	Water	No	Kutch	1	68	68	-	No	Hinduja Foundation	CSR00002326
13.	Covid19 relief – Bangalore City Police	Health	Yes	Bangalore	1	10	10	-	No	Hinduja Foundation	CSR00002326

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **NIL**(d) Amount spent in Administrative Overheads - **NIL**(e) Amount spent on Impact Assessment, if applicable – **Not applicable**(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹481 Lakhs**(g) Excess amount for set off, if any - **NIL**9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - **NIL**• Asset-wise details – **Not applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company has spent two per cent of the average net profit as per section 135(5) of the Act.

Place: Mumbai  
Date: August 18, 2021Partha DeSarkar  
DIN: 00761144  
(Whole-time Director)Anil Harish  
DIN: 00001685  
(Chairman - CSR Committee)

## Annexure 'F'

# 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, 2021, 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
	2. Nature of Relationship	Wholly owned step-down subsidiary
b)	Nature of contract/ arrangement	Sub-contract Agreement
c)	Duration of Contract/ Arrangement	Perpetual
d)	1. Salient terms of the Contract/ arrangement	Your Company provides BPM services to HGS Healthcare LLC and diligently perform the contract in a timely manner and provide services in accordance with the SOWs.
	2. Value	₹ 161,318.20 Lakhs
e)	Dates of Board's approval(s)	Not applicable, since the contract was entered into in the ordinary course of business and at arm's length basis.
f)	Amount paid as advances, if any:	NIL

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

**Yashodhan Madhusudan Kale**  
Chairman  
DIN: 00013782

Place : Mumbai  
Date : August 18, 2021

## Annexure 'G'

## TO THE DIRECTORS' REPORT

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021 ('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, 2021 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.

#### **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. There was no change in the composition of the Board of Directors during the period.

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-Fifth Annual General Meeting held on September 30, 2020 by the Members of the Company for appointment of Mr. Sudhanshu Tripathi (DIN: 06431686) as a Non-Executive & Non-Independent Director of the Company.
2. An Ordinary Resolution was passed at the Twenty-Fifth Annual General Meeting held on September 30, 2020 by the Members of the Company for appointment of Dr. Ganesh Natarajan (DIN:00176393) as an Independent Director of the Company for a period of five consecutive years from September 30, 2019 to September 29, 2024.
3. A Special Resolution was passed at the Twenty-Fifth Annual General Meeting held on September 30, 2020 by the Members of the Company for Re-appointment of Mr. Anil Harish (DIN: 00001685) as an Independent Director of the Company for a second term of consecutive five years from September 29, 2020 to September 28, 2025.
4. A Special Resolution was passed at the Twenty-Fifth Annual General Meeting held on September 30, 2020 by the Members of the Company for Payment of Commission to Directors from the financial year 2020-21 and onwards of such amount not exceeding 1% 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.

**Rupal Dhiren Jhaveri**  
**Practicing Company Secretary**

FCS No: 5441  
Certificate of Practice No. 4225  
UDIN: F005441C000483886  
PR1139/2021

Place : Mumbai  
Date : June 18, 2021

*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.
7. We have conducted online verification and examination of records as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for purpose of issuing the report.

**Rupal Dhiren Jhaveri**  
**Practicing Company Secretary**  
FCS No: 5441  
Certificate of Practice No. 4225  
UDIN: F005441C000483886  
PR1139/2021

Place : Mumbai  
Date : June 18, 2021



## Annexure 'H'

# 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 2020-21;

Name of Director	Ratio of Remuneration to MRE*	% increase / (decrease) in remuneration for FY 2020-21
Mr. Yashodhan Madhusudan Kale	25.51	(4.55)%
Mr. Sudhanshu Tripathi	21.72	Not Applicable
Ms. Bhumiika Batra	25.71	Not Applicable
Dr. Ganesh Natarajan	24.04	Not Applicable
Mr. Anil Harish	25.90	(16.73)%

\* MRE = Median Remuneration of Employees

- (ii) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager ('KMP') in the financial year 2020-21;

Name of KMP	Designation	% increase in remuneration for FY 2020-21
Mr. Partha DeSarkar	Whole time Director	20.8
Mr. Srinivas Palakodeti	Chief Financial Officer	13.2
Mr. S.Mahadevan	Company Secretary (upto September 30, 2020)	# Refer Note below
Mr. Narendra Singh	Company Secretary (effective September 30, 2020)	# Refer Note below

Note: 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 Nomination & Remuneration Committee and the Board of Directors.

# Not applicable as employed part of FY 2020-21

- (iii) The percentage increase in the median remuneration of employees in the financial year 2020-21

The median remuneration of employees (MRE) for the FY 2020-21 increased by 2.9% (includes the prorated increase for part of the year) as compared to FY 2019-20.

- (iv) The number of permanent employees on the rolls of the Company: 13,791

- (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 5% and the percentage increase in the remuneration of KMP is 25.3%. There has been an increase in the remuneration of KMP in FY 2020-21 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). The payment of this 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 Directors.

- (vi) The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 18, 2021

Yashodhan Madhusudan Kale  
Chairman  
DIN: 00013782

## Annexure 'I'

# TO THE DIRECTORS' REPORT

## BUSINESS RESPONSIBILITY 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, 2021 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 (the 'Company')
3.	Registered Address	Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai - 400018
4.	Website	<a href="http://www.teamhgs.com">www.teamhgs.com</a>
5.	E-mail ID	investor.relations@teamhgs.com
6.	Financial Year Period	1st April 2020 - 31st March, 2021
7.	Sector(s) that company is engaged in (industrial activity code-wise)	Name and description of main product/ services: The 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	<b>International locations</b> • Delivery centres in Philippines, UK, US, Canada, Jamaica, and UAE (Marketing office)
		<b>National locations</b> • Delivery Centres in Bengaluru, Hyderabad, Vizag, Chennai and Mumbai • Total 56 global delivery centres
10.	Markets served by the Company (Local/ State/ National/ International)	<b>Market served through subsidiaries/ step down subsidiaries</b> India, US, Canada, Jamaica, UK, UAE and Philippines.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital : ₹ 2,087.73 Lakhs
- Total Turnover : ₹ 236,291.82 Lakhs (Standalone)  
: ₹ 558,891.83 Lakhs (Consolidated)
- Total Profit after Taxes : ₹ 20,736.83 Lakhs (Standalone)  
: ₹ 33,605.13 Lakhs (Consolidated)
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2.15% of last 3 years' average net profits  
[Actual spending: ₹ 481 Lakhs in FY 2021]
- List of activities in which expenditure in point 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, 2021, the Company has 21 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/ policies

DIN : 00761144

Name : Mr. 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 Business Process Management (BPM) 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 been 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](http://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 monitors the implementation and evaluation of the policies.

## (b) If answer to Sl. No 1 against any principle, is 'No', please explain why:

Requisite details are provided in the table above 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 Report 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?**

Yes, Annually. The same is available on website of the Company at [www.teamhgs.com](http://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" is 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 2020-21, 6 complaints were received from the Company's equity shareholders. As on March 31, 2021, there was one complaint pending which has been resolved. 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 the Company provides BPM 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 the Company provides BPM 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.**

Not applicable. However, the Company endeavours to source 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?**

Not applicable, as the Company provides BPM services. However, to the extent possible, the Company procures good and avail services from local and small producers.

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. However, e-waste is disposed through scrapping process with the identified vendors.

**Principle 3: Employee Wellbeing**

Sl. No.	Particulars	Details	
1	Please indicate the Total number of employees	13,791	
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	Temporary employees : Nil Contractual employees : 48 Casual basis : Nil <b>Total : 48</b>	
3	Please indicate the Number of permanent women employees	5,863	
4	Please indicate the Number of permanent employees with disabilities	198	
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	2	0
	Discriminatory employment	None	None
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?		
		Skill	Safety
a)	Permanent Employees	The Company does the safety training and skill upgradation twice a year. However, due to Covid and continued lockdown, it was done only once across all locations except Hyderabad. The number of participants was limited to the attendees in office as under:  • Permanent employees/ Permanent Women employees -15%  • Casual /Temporary/ Contractual Employees - 100%  • Employees with Disabilities - Nil	
b)	Permanent Women Employees		
c)	Casual/Temporary/Contractual Employees		
d)	Employees with Disabilities		

**Principle 4: Stakeholder Engagement**

- 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. 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'), etc. 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 while balancing the interests of diverse stakeholders.

The Company's initiatives in the areas of Corporate Social Responsibility are targeted to bring meaningful difference in the lives of its associated stakeholders.

The Company supports different programs that promote holistic education among underserved children:

- Road to School Program - Learnings Links Foundation and Hinduja Foundation
- Smart Class - Yuva Unstoppable
- English and Remedial Education - Step-up India
- Meal Distribution - The Akshaya Patra Foundation
- Dharam Hinduja Merit cum Means Scholarship Program - Hinduja Foundation
- Gyan Shakti Program (Urban School Project) – Hinduja Foundation

PwD and disadvantaged youth are supported through 2 comprehensive programs that provide skill development training and employment opportunities:

- Vocational Training for PwD - Samarthanam Trust for the Disabled
- Youth Livelihood Program - Magic Bus India Foundation

The Company also works in the area of water across multiple projects – provide potable drinking water to the under-served children at Government schools, water conservation and restoration:

- Water For Schools Program - Jaldhaara Foundation
- Restoration of Step Well and Water Conservation & Wetland Park Project - Hinduja 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 through various training programs and awareness communication/ initiatives.

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 regard to human rights violations.

#### **Principle 6: Environmental Management**

1. Does the policy relate 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's 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 year, 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 footprint due to low power consumption.

Some of the initiatives on clean technology, energy efficiency, renewable energy continues to be 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 BPM 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 Whole-time Director and Global CEO, Mr. Partha DeSarkar is a member 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) based out of 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 Government advocacy issues such as -

- COVID-19 related issues such as work from home enablement and government permissions, sharing of best practices, etc.
- Taxation related challenges for the BPM industry
- 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); the program was launched in April 2021

#### **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, as amended, 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 Directors' 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 481 Lakhs in various CSR activities during FY 2020-21, The details of the amount disbursed, and a brief on the projects are mentioned in the Corporate Social Responsibility report forming part of Directors' Report.

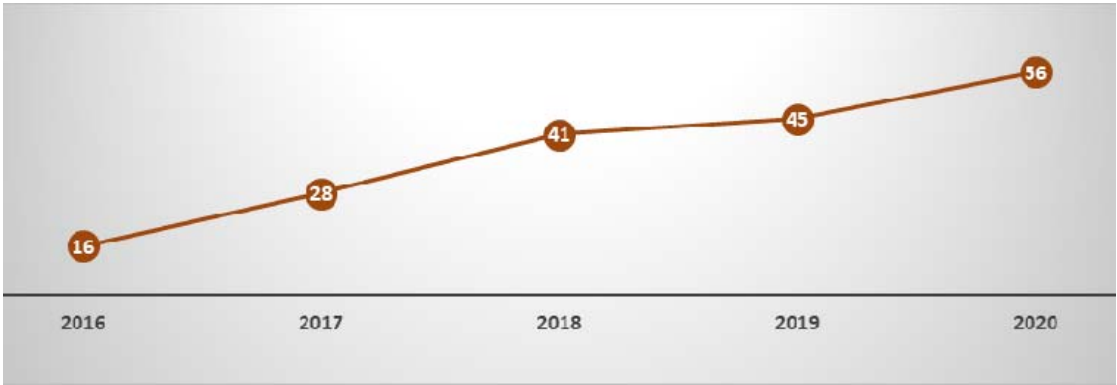
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

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 community involvement and builds sustainability. Additionally, some of the Company's programs create impact beyond their scope of assigned beneficiaries and contribute to the welfare of the larger community.



**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 in terms of Client Satisfaction scores (NPS-Net Promoter Score). Following is the last 5 years' trend of NPS. The Company has achieved the highest NPS score of 56 in the survey conducted in FY 2021. Also, 93% of the 152 client organizations polled and 84% of the 654 client contacts polled responded to the survey in FY 2021.



For and on behalf of the Board of Directors

Yashodhan Madhusudan Kale  
Chairman  
DIN: 00013782

Place: Mumbai  
Date : August 18, 2021

# AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HINDUJA GLOBAL SOLUTIONS LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of **HINDUJA GLOBAL SOLUTIONS LIMITED** ("the Parent"/ "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, 2021, 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, 2021, 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.

Key Audit Matter	Auditor's Response
<p><b>1. Recoverability of Deferred tax Assets on unused tax losses of HGS Colibrium LLC:.</b></p> <p>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 liabilities, expected future taxable income, and tax planning strategies.</p> <p>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, 2021 were Rs. 1,926.46 lakhs in respect of unused tax losses of HGS Colibrium LLC., wholly owned subsidiary of Hinduja Global Solutions Inc.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to management's assessment about the realization of the deferred tax assets included, among others:</p> <ul style="list-style-type: none"> <li>We involved our internal tax specialists to assess the appropriateness of the uncertain tax position supporting the recognition of deferred tax assets in respect of carry forward of unabsorbed tax losses. Our tax specialists assessed the applicable local fiscal regulations and developments, in particular those related to filing of a consolidated tax returns and the statutes of limitation since these are key assumptions underlying the valuation of the deferred tax assets;</li> <li>We evaluated management's assessment on the sufficiency of future taxable profits for the USA 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;</li> </ul>

# AUDITOR'S REPORT

Key Audit Matter	Auditor's Response
<p><b>1</b> We identified management's determination of the recoverability of deferred tax assets in respect of carryforward of unused tax losses HGS Colibrium LLC as a key audit matter as probability of the realization of these deferred tax assets involves significant judgements and estimates management makes related to future taxable income. 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.</p>	<p>We evaluated management's ability to reasonably 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.</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• We analyzed the consistency of cash flow forecasts with management's latest estimates presented to the Board of Directors as part of the budget process;</li> <li>• We evaluated whether the estimates of future taxable income were consistent with evidence obtained in other areas of the audit</li> <li>• 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;</li> <li>• We reviewed the adequacy of the Company's disclosures for deferred tax assets.</li> </ul>
<p><b>2 Revenue recognition and measurement in respect of unbilled receivables as at March 31, 2021</b></p> <p>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.</p> <p>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 recognition and measurement of unbilled receivables as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to management's estimation of unbilled receivables included, among others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We have tested samples of unbilled receivables as at March 31, 2021 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.</li> <li>• 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 receivables. We have also determined whether adjustments, if any, are necessary upon receipt of approvals from customers for services delivered prior to March 31, 2021 and / or collections against those.</li> <li>• We have verified the ageing of unbilled receivables recognised to evaluate their reasonableness.</li> <li>• 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.</li> </ul>

# AUDITOR'S REPORT

Key Audit Matter	Auditor's Response
<p><b>3 Accounting and disclosure of loans and intercorporate deposits (as described in note 11 and 40)</b></p> <p>As described in note 11 and note 40, the Group has given loans and intercorporate deposits to certain parties, including related parties.</p> <p>Accounting and disclosure of such loan transactions have been identified as a key audit matter due to significance of the such transactions, and risk associated with recoverability and, risk of such transactions not getting disclosed in the financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to management assessment about the accounting and disclosure of Loans and intercorporate deposits to the related parties</p> <ul style="list-style-type: none"> <li>• Obtained and read the Group's policies, and procedures in respect of identification of related parties, obtaining approval for loan and intercorporate deposit related transactions, recording and disclosure of related party transactions.</li> <li>• In respect of unsecured loans given to other entities (Note 11), we reviewed the legal assessment by an external legal counsel appointed by the management in assessing and concluding such entities as not a related party under Ind AS 24, Related Party Disclosures.</li> <li>• Tested such related party transactions and balances with the underlying contracts, promissory note, direct confirmation letters, and other supporting documents provided by the Company.</li> <li>• Inspected the minutes of the meeting of the Board of Directors and Audit Committee providing an unanimous approval of all directors present in the meeting approving the investment of surplus funds of the Company in the intercorporate deposits to related parties including the promoter shareholders, and unsecured loans to other entities, the terms thereof, degree of credit risk associated with the respective borrowers, the purpose and business rationale for giving loan and intercorporate deposits, and the arms' length interest rates considered, as applicable.</li> <li>• Verified that the intercorporate deposits granted are within the permissible limits specified in the Companies Act, 2013.</li> <li>• Inspected the Company Secretary's assessment and conclusion that there exists no conflict of interest of the independent directors of the Company approving these loans and intercorporate deposits.</li> <li>• Tested the repayment and fresh disbursement of the loans and intercorporate deposits during the year with the bank statements</li> <li>• Verified the classification of the loans and intercorporate deposits as current assets considering these being granted for meeting the short-term working capital requirements of the borrowers in the ordinary course of business and the terms of the loans and intercorporate deposits being repayable on demand.</li> <li>• Inspected management's and audit committee's evaluation of recoverability by reference to the audited or unaudited financial statements as applicable of the respective borrowers.</li> <li>• Reviewed the disclosures in the financial statements to assess whether the disclosure is in accordance with Ind AS 24 Related Party Disclosure and under the Companies Act, 2013.</li> </ul>

## 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 Directors 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.

# AUDITOR'S REPORT

- Our opinion on 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, compare with the financial statements of the branch and subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors 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. Other information so far as it relates to the branch and subsidiaries, is traced from their financial statements audited by the branch auditor and other auditors.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Parent'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 Responsibility 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



# AUDITOR'S REPORT

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 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 ₹89,984.42 Lakhs as at March 31, 2021 and total revenue of ₹99,666.54 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

# AUDITOR'S REPORT

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.

- (b) We did not audit the financial information of two subsidiaries, whose financial information reflect total assets of ₹129,279.84 lakhs as at March 31, 2021, total revenues of ₹101,265.80 lakhs and net cash (outflows) amounting to ₹3,511.17 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.
- (c) We did not audit the financial information of eight subsidiaries, whose financial information reflect total assets of ₹33,273.51 lakhs as at March 31, 2021, total revenues of ₹20,378.34 lakhs and net cash inflows amounting to ₹2,727.34 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, 2021 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, 2021 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

# AUDITOR'S REPORT

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. 060408)

UDIN: 21060408AAAABT5843

Place : Bengaluru  
Date : June 18, 2021

# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S 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, 2021 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 THE INDEPENDENT AUDITOR'S 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, 2021, 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. 060408)

UDIN: 21060408AAAABT5843

Place : Bengaluru  
Date : June 18, 2021



# CONSOLIDATED BALANCE SHEET

(All amounts are in Rupees Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	2	47,086.54	53,209.95
b) Right to use asset	3	69,882.40	77,979.80
c) Capital work-in-progress	2	320.99	482.87
d) Other intangible assets	4a	6,864.06	8,172.37
e) Goodwill	4b	33,972.04	33,918.31
f) Financial Assets			
(i) Investments	5a	-	477.83
(ii) Other financial assets	6	7,131.91	6,104.15
g) Deferred tax assets (net)	37	6,955.13	10,475.98
h) Income tax assets (net)	7a	8,784.51	8,271.72
i) Other non-current assets	8	2,665.94	2,756.94
<b>Total non-current assets</b>		<b>183,663.52</b>	<b>201,849.92</b>
<b>Current assets</b>			
a) Financial assets			
(i) Investments	5b	482.11	554.29
(ii) Trade receivables	9	123,054.02	98,932.85
(iii) Cash and cash equivalents	10a	53,003.81	53,082.43
(iv) Bank balances other than (iii) above	10b	623.38	410.41
(v) Loans	11	52,078.87	43,232.52
(vi) Other financial assets	12	4,758.43	1,645.45
b) Other current assets	13	11,622.97	7,468.64
c) Assets classified as held for sale	45(i)	5,202.73	-
<b>Total current assets</b>		<b>250,826.32</b>	<b>205,326.59</b>
<b>Total assets</b>		<b>434,489.84</b>	<b>407,176.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	14	2,087.73	2,086.59
b) Other equity		206,399.60	169,861.26
Equity attributable to the equity holders of the company		208,487.33	171,947.85
c) Non-controlling interest		-	1,235.78
<b>Total equity</b>		<b>208,487.33</b>	<b>173,183.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	15a	19,134.05	30,198.33
(ii) Lease liabilities	16a	66,458.04	72,914.37
(iii) Other financial liabilities	17	398.28	5,333.24
b) Provisions	18	20,951.71	13,308.24
c) Contract liabilities	22	1,023.58	152.54
d) Deferred tax liabilities (net)	37	299.67	2,708.33
<b>Total non-current liabilities</b>		<b>108,265.33</b>	<b>124,615.05</b>
<b>Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	15b	10,089.72	19,697.94
(ii) Lease liabilities	16b	12,122.27	11,492.91
(iii) Trade payables	19	38,364.80	28,175.23
(iv) Other financial liabilities	20	34,577.63	33,742.28
b) Provisions	21	8,127.95	5,775.88
c) Contract liabilities	23	2,386.60	651.98
d) Current tax liabilities(net)	7b	2,509.16	3,013.10
e) Other current liabilities	24	9,559.05	6,828.51
<b>Total current liabilities</b>		<b>117,737.18</b>	<b>109,377.83</b>
<b>Total liabilities</b>		<b>226,002.51</b>	<b>233,992.88</b>
<b>Total equity and liabilities</b>		<b>434,489.84</b>	<b>407,176.51</b>

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 : Kolar

Narendra Singh  
Company Secretary  
Place : Mumbai

Place : Bengaluru  
Date : June 18, 2021

Date : June 18, 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are in Rupees Lakhs, except per share data)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Continuing Operations</b>			
I Revenue from operations	25	558,891.83	498,650.37
II Other income	26	8,157.66	5,713.23
III <b>Total income (I+II)</b>		<b>567,049.49</b>	<b>504,363.60</b>
<b>IV Expenses</b>			
a) Employee benefit expenses	27	380,570.16	332,787.45
b) Finance costs	28	8,829.64	9,424.09
c) Depreciation and amortization expenses	29	30,751.31	29,124.35
d) Other Expenses	30	100,979.36	99,185.57
<b>Total expenses</b>		<b>521,130.47</b>	<b>470,521.46</b>
V <b>Profit before exceptional items and tax</b>		45,919.02	33,842.14
VI <b>Exceptional items</b>	49	1,522.72	2,112.14
VII <b>Profit before tax</b>		<b>44,396.30</b>	<b>31,730.00</b>
<b>VIII Tax expense</b>			
a) Current tax	36	12,464.31	12,583.95
b) Deferred tax	37	(2,253.91)	832.83
c) Current tax relating to prior years	36	580.77	(90.92)
<b>Total tax expense</b>		<b>10,791.17</b>	<b>13,325.86</b>
IX <b>Profit for the period from continuing operations</b>		<b>33,605.13</b>	<b>18,404.14</b>
<b>Discontinued Operations</b>			
a) Profit before tax from discontinued operations	45(ii)	-	3,189.16
b) Tax expense of discontinued operations	45(ii)	-	1,031.98
X <b>Profit after tax from discontinued operations [(a)-(b)]</b>		-	2,157.18
XI <b>Profit for the period</b>		<b>33,605.13</b>	<b>20,561.32</b>
<b>XII Other comprehensive income</b>			
<b>A. Items that will not be reclassified to statement of profit and loss</b>			
a) Remeasurements of defined benefit plans			
- Continuing Operations		(1,069.36)	(882.04)
- Discontinued operations		-	(36.72)
b) Income tax on above item	37	(346.62)	210.02
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)</b>		<b>(1,415.98)</b>	<b>(708.74)</b>
<b>B. Items that will be reclassified to profit or loss</b>			
a) Effective Portion of designated portion of hedging instruments in a cash flow hedge		9,198.45	(8,488.34)
b) Income tax on above item		(3,035.06)	3,010.19
c) Net change in fair value of hedges of net investment in foreign operations		330.21	(1,217.24)
d) Exchange differences in translating the financial statements of foreign operation		(553.18)	7,996.92
e) Current tax on above item		867.16	(1,129.43)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)</b>		<b>6,807.58</b>	<b>172.10</b>
XIII <b>Other comprehensive income for the year, net of tax [A + B]</b>		<b>5,391.60</b>	<b>(536.64)</b>
XIV <b>Total comprehensive income for the period (both continuing and discontinued operations)</b>		<b>38,996.73</b>	<b>20,024.68</b>
<b>XV Profit for the year attributable to:</b>			
(a) Equity holders of the company		33,605.13	20,194.32
(b) Non-controlling interests		-	367.00
		<b>33,605.13</b>	<b>20,561.32</b>
<b>XVI Other comprehensive income for the year attributable to:</b>			
(a) Equity holders of the company		5,391.60	(627.32)
(b) Non-controlling interests		-	90.68
		<b>5,391.60</b>	<b>(536.64)</b>
<b>XVII Total Other comprehensive income attributable to:</b>			
(a) Equity holders of the company		38,996.73	17,433.71
- Continuing operations		-	2,133.29
- Discontinued operations		-	457.68
(b) Non-controlling interests		-	-
		<b>38,996.73</b>	<b>20,024.68</b>
<b>XVIII Earning per equity share (both continuing and discontinued operations)</b>			
<b>[equity share par value share ₹ 10/- each]</b>			
Basic (in ₹)	33	161.00	96.85
Diluted (in ₹)	33	160.82	96.79
<b>Earning per equity share (continuing operations)</b>			
<b>[equity share par value share ₹ 10/- each]</b>			
Basic (in ₹)		161.00	86.51
Diluted (in ₹)		160.82	86.45
<b>Earning per equity share (discontinued operations)</b>			
<b>[equity share par value share ₹ 10/- each]</b>			
Basic (in ₹)		-	10.34
Diluted (in ₹)		-	10.34

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 : Kolar

Narendra Singh

Company Secretary

Place : Mumbai

Place : Bengaluru

Date : June 18, 2021

Date : June 18, 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in Rupees Lakhs)

## A. Equity Share Capital

	Notes	Amount
<b>Balance as at April 1, 2019</b>		<b>2,083.89</b>
Changes in equity share capital during the year	15	2.70
<b>Balance as at March 31, 2020</b>		<b>2,086.59</b>
Changes in equity share capital during the year	15	1.14
<b>Balance as at March 31, 2021</b>		<b>2,087.73</b>

## 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	Remeasurements of defined benefit plans			
<b>As at March 31, 2019</b>	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)	162,274.92	758.14	163,033.06
Effect of change in accounting policy for initial application of Ind AS 116	-	-	-	(6,398.57)	-	-	-	-	-	(6,398.57)	-	(6,398.57)
<b>As at April 1, 2019</b>	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)	155,876.35	758.14	156,634.49
<b>Profit for the year</b>	-	-	-	20,194.32	-	-	-	-	-	20,194.32	367.00	20,561.32
Other Comprehensive Income	-	-	-	-	-	-	5,650.25	(5,478.15)	(708.74)	(536.64)	90.68	(445.96)
<b>Total</b>	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)	175,534.03	1,215.82	176,749.85
Transaction with owners in their capacity as Equity holders of the company:												
Adjustment during the year	-	-	-	(97.02)	-	-	-	-	-	(97.02)	19.96	(77.06)
Additions during the year	-	-	-	-	(21.66)	(20.57)	-	-	-	(42.23)	-	(42.23)
Employee stock options	-	124.87	-	-	-	-	-	-	-	124.87	-	124.87
Dividends (including dividend tax thereon)	-	-	-	(5,658.39)	-	-	-	-	-	(5,658.39)	-	(5,658.39)
<b>As at March 31, 2020</b>	24,273.83	1,255.81	53,897.61	90,263.31	-	56.47	9,131.06	(4,321.64)	(4,695.19)	169,861.26	1,235.78	171,097.04
<b>Profit for the year</b>	-	-	-	33,605.13	-	-	-	-	-	33,605.13	-	33,605.13
Other Comprehensive Income	-	-	-	-	-	-	644.19	6,163.42	(1,415.98)	5,391.63	-	5,391.63
<b>Total</b>	24,273.83	1,255.81	53,897.61	123,868.44	-	56.47	9,775.25	1,841.78	(6,111.17)	208,858.02	1,235.78	210,093.80
Transaction with owners in their capacity as Equity holders of the company:												
Adjustment during the year (Refer note 43)	-	-	-	1,106.96	-	-	128.82	-	-	1,235.78	(1,235.78)	-
Employee stock options	-	53.73	-	-	-	9.48	-	-	-	63.21	-	63.21
Dividends (including dividend tax thereon)	-	-	-	(3,757.41)	-	-	-	-	-	(3,757.41)	-	(3,757.41)
<b>As at March 31, 2021</b>	24,273.83	1,309.54	53,897.61	121,217.99	-	65.95	9,904.07	1,841.78	(6,111.17)	206,399.60	-	206,399.60

## 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, 2021	March 31, 2020
Balance as at the beginning of the year	(6,742.20)	1,750.14
Changes in fair value of effective portion of derivatives	12,394.26	(5,021.93)
Net (gain)/loss reclassified to statement of profit and loss on occurrence of hedged transactions	(3,195.81)	(3,470.41)
<b>Balance as at the end of the year</b>	<b>2,456.25</b>	<b>(6,742.20)</b>
Deferred tax thereon	(614.47)	2,420.56
<b>Balance as at the end of the year, net of deferred tax</b>	<b>1,841.78</b>	<b>(4,321.64)</b>

### 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 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 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, 2021	For the year ended March 31, 2020
<b>Cash Flow from Operating Activities</b>		
Profit before tax for the Year		
- Continuing operations	44,396.30	31,730.00
- Discontinuing Operations	-	3,189.16
<b>Profit before tax</b>	<b>44,396.30</b>	<b>34,919.16</b>
Adjustments for:		
Depreciation and amortization expenses	30,751.31	32,995.44
Employee share-based compensation (income)/expense	9.48	(20.58)
(Gain)/Loss on disposal of property, plant and equipment/Write-off	1,023.82	(16.02)
Provision for doubtful debts	366.66	368.27
Bad Debts/ Advances Written off	60.12	131.87
Income on termination of leases	(865.34)	(2,642.87)
Unwinding of discount on security deposits	(564.64)	(1,879.02)
Provision for doubtful debts written back	(265.19)	(3.13)
Proceeds from sale of business reclassified as investing activities	-	(965.78)
Interest income	(3,474.24)	(1,280.85)
Finance costs	8,829.64	10,315.51
Net exchange differences	2,144.18	(2,054.06)
Non cash exceptional items	1,522.72	2,112.14
<b>Change in operating assets and liabilities:</b>		
(Increase)/ Decrease in trade receivables	(25,868.76)	19,577.51
(Increase)/ Decrease in other financial assets	(251.61)	1,807.22
(Increase)/ Decrease in other non-current assets	46.56	(472.87)
(Increase)/ Decrease in other current assets	(4,154.33)	1,042.25
Increase/ (Decrease) in trade payables	10,358.11	3,428.02
Increase/ (Decrease) in other financial liabilities	4,028.13	(503.87)
Increase/ (Decrease) in provisions	8,926.18	5,674.23
Increase/ (Decrease) in other liabilities	5,336.20	(232.61)
<b>Net cash generated from operating activities</b>	<b>82,355.30</b>	<b>102,299.96</b>
Income taxes paid (net)	(13,194.65)	(13,925.36)
<b>Net cash generated from operating activities</b>	<b>69,160.65</b>	<b>88,374.60</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of business	-	3,591.74
Payments for property, plant and equipment	(15,805.97)	(11,763.74)
Payments for purchase of investments	-	(1,913.18)
Proceeds from sale of investments	550.01	2,334.07
Proceeds from sale of property, plant and equipment	545.04	492.87
Payments incidental to sale of domestic business	-	(288.00)
Other bank balances	(212.97)	5.33
Loans repaid/assigned	116,597.24	-
Loans Given	(126,091.03)	(34,000.00)
Interest received	3,494.74	1,145.49
<b>Net cash used in investing activities</b>	<b>(20,922.94)</b>	<b>(40,395.42)</b>



# CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in Rupees Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	54.87	105.95
Payment for acquisition of Non-controlling interest	(3,380.13)	(1,155.25)
Proceeds from borrowings	58,413.75	23,614.19
Repayment of borrowings	(78,449.62)	(26,613.85)
Repayment of Lease liability	(11,585.56)	(10,955.94)
Interest paid	(8,877.46)	(10,317.44)
Dividends paid (including dividend tax)	(3,749.99)	(5,659.40)
<b>Net cash used in financing activities</b>	<b>(47,574.14)</b>	<b>(30,981.74)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>663.57</b>	<b>16,997.44</b>
Cash and cash equivalents at the beginning of the financial year	53,082.43	32,324.61
Effects of exchange rate changes on cash and cash equivalents	(742.19)	3,760.38
<b>Cash and cash equivalents at end of the year</b>	<b>53,003.81</b>	<b>53,082.43</b>
<b>Balances per statement of cash flows</b>	<b>53,003.81</b>	<b>53,082.43</b>

Reconciliation of borrowings as disclosed in financing activities and Note 16 to the financial statements:

Particulars	As at April 1, 2020	Cash Changes		Non Cash Changes				As at March 31, 2021
		Repayment	Proceeds	Rent Concession	Additions to Lease liabilities(net)	Exchange difference/ FCTR	Others*	
Term loans	25,159.25	(6,650.45)	-	-	-	(511.32)	22.27	18,019.75
External commercial borrowings	15,132.92	(3,778.62)	-	-	-	(379.39)	42.07	11,016.98
Bank Overdrafts	19,697.94	(67,740.83)	58,413.75	-	-	(281.14)	-	10,089.72
Lease liabilities	84,407.28	(11,585.56)	-	(278.99)	5,508.94	528.64	-	78,580.31
Others	544.44	(279.71)	-	-	-	31.61	-	296.34

Particulars	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	46.50	25,159.25
External commercial borrowings	13,906.35	(50.10)	-	-	-	1,217.24	59.43	15,132.92
Bank Overdrafts	16,030.11	(19,787.74)	22,541.31	-	-	908.03	6.23	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	-	544.44

\* 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 : Kolar

Narendra Singh

Company Secretary

Place : Mumbai

Place : Bengaluru  
Date : June 18, 2021

Date : June 18, 2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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 (Group) 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 June 18, 2021.

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 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

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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.

## 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## (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.

## (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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## C. 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.

## D. 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.

## E. 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.

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.

## F. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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.

## 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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;
- 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 has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19 by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a leases modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as or less than the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all eligible rent concessions and has not restated prior period figures.

The Group has benefited from a 12 month waiver of lease payments on buildings in India. The waiver of lease payments of ₹ 232.89 lakhs has been accounted for as a negative variable lease payment in profit or loss.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- 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.

## 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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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:

- 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 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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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).

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## (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:

	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).

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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:

	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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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).

## v 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).

## w 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.

## x 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 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.

## y 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 CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## z 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.

## za Earnings per share

### (i) Basic earning per share

Basic earnings per share is calculated by dividing:

- a. the profit attributable to owners of the Company
- b. 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:

- a. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## zb 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.

## zc 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind AS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

## **zd 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.

## **ze 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.

## **zf Non-current assets (or disposal groups) held for sale and discontinued operations**

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.

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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## zg 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.

## zh 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.

## zi New Accounting standards adopted by the Group during year

### Amendment to Ind AS 103- Business combination

The Ministry of Corporate Affairs (MCA) has 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 did not have any impact on the financial statements of the Group.

### Amendment to Ind AS 109 and Ind AS 107 – Interest Rate Benchmark Reform

The MCA amended 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 and Ind AS 107 did not have any significant material impact on the financial statements of the Group.

### Amendment to Ind AS 1 and Ind AS 8 – Definition of Material

The 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 Ind AS Standards. 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 based on 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 MCA amended other Standards 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.

### Amendment to Ind AS 116 – Leases

The 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 June 30, 2021 and also require disclosure of the amount recognised 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.

## zj New Accounting standards not yet adopted by the Company

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## New Amendments not yet adopted by the Company

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendment on the standalone financial statements.

# NOTES TO THE CONSOLIDATED 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
<b>Year ended March 31, 2020</b>										
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 *	-	-	-	(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	-	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	-	425.75	31.96	260.70	3,138.09	1,414.04	5,430.75	-
Disposals *	-	-	-	(1,410.70)	(63.01)	(2,120.39)	(5,266.45)	(5,193.42)	(14,053.97)	-
Accumulated depreciation	-	2,041.68	-	3,700.22	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
<b>Year ended March 31, 2021</b>										
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
Additions	-	14.58	-	564.02	49.33	108.38	11,650.88	1,255.20	13,642.39	345.84
Effect of foreign currency differences	(50.68)	(159.39)	-	(96.74)	6.73	(108.05)	480.95	(377.77)	(304.95)	(3.85)
Disposals	-	-	-	(1,682.92)	(52.14)	(215.56)	(10,141.04)	(2,853.37)	(14,945.03)	(503.87)
Assets reclassified as held for sale **	(964.07)	(4,945.02)	-	-	-	-	-	-	(5,909.09)	-
Gross carrying amount	1,431.81	9,488.90	-	7,729.06	378.67	7,563.58	34,231.12	21,086.62	81,909.76	320.99
Accumulated depreciation	-	2,041.68	-	3,700.22	265.81	3,488.69	16,425.81	10,294.28	36,216.49	-
Depreciation	-	391.64	-	1,320.72	63.88	884.02	7,732.32	2,159.10	12,551.68	-
Effect of foreign currency differences	-	10.82	-	7.64	5.16	(35.01)	209.43	88.01	286.05	-
Disposals	-	-	-	(937.38)	(46.45)	(254.99)	(9,620.26)	(2,665.56)	(13,524.64)	-
Assets reclassified as held for sale **	-	(706.36)	-	-	-	-	-	-	(706.36)	-
Accumulated depreciation	-	1,737.78	-	4,091.20	288.40	4,082.71	14,747.30	9,875.83	34,823.22	-
Net carrying amount as at March 31, 2021	1,431.81	7,751.12	-	3,637.86	90.27	3,480.87	19,483.82	11,210.79	47,086.54	320.99

\* Refer note 45 (ii) for details on disposal of India Domestic Customer Relationship Management (CRM) business.

\*\* Refer note 45 (i) for details.

Depreciation	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations (Refer note 29)	12,551.68	12,319.07
Discontinued Operations (Refer note 45-ii)	-	1,233.22
<b>Total</b>	<b>12,551.68</b>	<b>13,552.29</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 3. Right of use assets

	Category of Right of use assets				Total
	Building	Computers	Furniture & Fixtures	Office equipments	
<b>Year ended March 31, 2020</b>					
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
<b>Total carrying amount as at April 1, 2019</b>	<b>71,526.12</b>	<b>-</b>	<b>634.72</b>	<b>1,116.78</b>	<b>73,277.62</b>
Additions	28,670.20	253.70	-	612.43	29,536.33
Disposals*	(20,210.28)	-	-	-	(20,210.28)
Effect of Foreign currency differences	4,377.35	9.81	12.12	1.91	4,401.19
<b>Gross carrying amount</b>	<b>84,363.39</b>	<b>263.51</b>	<b>646.84</b>	<b>1,731.12</b>	<b>87,004.86</b>
<b>Accumulated depreciation</b>					
Amounts reclassified upon adoption of Ind AS 116	157.56	-	256.49	166.11	580.16
Depreciation	14,797.23	49.33	122.26	342.49	15,311.31
Disposals*	(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
<b>Accumulated depreciation</b>	<b>8,079.06</b>	<b>51.24</b>	<b>386.01</b>	<b>508.75</b>	<b>9,025.06</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>76,284.33</b>	<b>212.27</b>	<b>260.83</b>	<b>1,222.37</b>	<b>77,979.80</b>
<b>Year ended March 31, 2021</b>					
<b>Carrying amount as at April 1, 2020</b>	<b>84,363.39</b>	<b>263.51</b>	<b>646.84</b>	<b>1,731.12</b>	<b>87,004.86</b>
Additions	10,929.38	-	-	53.79	10,983.17
Disposals	(12,858.45)	-	-	-	(12,858.45)
Effect of Foreign currency differences	370.04	19.90	40.00	0.22	430.16
<b>Gross carrying amount</b>	<b>82,804.36</b>	<b>283.41</b>	<b>686.84</b>	<b>1,785.13</b>	<b>85,559.74</b>
<b>Accumulated depreciation</b>	<b>8,079.06</b>	<b>51.24</b>	<b>386.01</b>	<b>508.75</b>	<b>9,025.06</b>
Depreciation	14,166.35	119.77	119.80	345.87	14,751.79
Disposals	(8,103.17)	-	-	-	(8,103.17)
Lease modification	-	-	-	-	-
Effect of Foreign currency differences	(34.55)	6.89	31.31	0.01	3.66
<b>Accumulated depreciation</b>	<b>14,107.69</b>	<b>177.90</b>	<b>537.12</b>	<b>854.63</b>	<b>15,677.34</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>68,696.67</b>	<b>105.51</b>	<b>149.72</b>	<b>930.50</b>	<b>69,882.40</b>

\* Refer note 45 (ii) for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations (Refer note 29)	14,751.79	12,891.38
Discontinued Operations (Refer note 45-ii)	-	2,419.93
<b>Total</b>	<b>14,751.79</b>	<b>15,311.31</b>

# 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
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>	<b>21,628.46</b>	<b>147.93</b>	<b>2,427.54</b>	<b>462.39</b>	<b>880.00</b>	<b>25,546.32</b>
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 *	(2,329.89)	-	-	-	-	(2,329.89)
<b>Gross carrying Amount</b>	<b>24,054.46</b>	<b>159.16</b>	<b>2,640.80</b>	<b>503.01</b>	<b>957.30</b>	<b>28,314.73</b>
<b>Accumulated amortisation</b>	<b>14,331.66</b>	<b>62.69</b>	<b>341.80</b>	<b>174.87</b>	<b>219.37</b>	<b>15,130.39</b>
Assets Reclassed due to Adoption of Ind AS 116	(145.14)	-	-	-	-	(145.14)
Amortisation	3,332.17	43.71	668.12	179.41	225.61	4,449.02
Effect of foreign currency differences	1,958.38	6.40	70.66	26.27	32.99	2,094.70
Disposals *	(1,386.61)	-	-	-	-	(1,386.61)
<b>Accumulated amortisation</b>	<b>18,090.46</b>	<b>112.80</b>	<b>1,080.58</b>	<b>380.55</b>	<b>477.97</b>	<b>20,142.36</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>5,964.00</b>	<b>46.36</b>	<b>1,560.22</b>	<b>122.46</b>	<b>479.33</b>	<b>8,172.37</b>
<b>Year ended March 31, 2021</b>						
<b>Gross carrying amount</b>	<b>24,054.46</b>	<b>159.16</b>	<b>2,640.80</b>	<b>503.01</b>	<b>957.30</b>	<b>28,314.73</b>
Additions	2,357.36	-	-	-	-	2,357.36
Effect of foreign currency differences	(190.76)	(4.06)	(60.76)	(14.69)	(27.97)	(298.24)
Disposals	(5,405.41)	-	-	-	-	(5,405.41)
<b>Gross carrying Amount</b>	<b>20,815.65</b>	<b>155.10</b>	<b>2,580.04</b>	<b>488.32</b>	<b>929.33</b>	<b>24,968.44</b>
<b>Accumulated amortisation</b>	<b>18,090.46</b>	<b>112.80</b>	<b>1,080.58</b>	<b>380.55</b>	<b>477.97</b>	<b>20,142.36</b>
Amortisation	2,790.60	45.61	255.77	120.46	235.40	3,447.84
Effect of foreign currency differences	(177.33)	(3.31)	(18.52)	(12.69)	(17.03)	(228.88)
Disposals	(5,256.94)	-	-	-	-	(5,256.94)
<b>Accumulated amortisation</b>	<b>15,446.79</b>	<b>155.10</b>	<b>1,317.83</b>	<b>488.32</b>	<b>696.34</b>	<b>18,104.38</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>5,368.86</b>	<b>-</b>	<b>1,262.21</b>	<b>-</b>	<b>232.99</b>	<b>6,864.06</b>

\* Refer note 45 (ii) for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Amortisation	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations (Refer note 29)	3,447.84	3,913.90
Discontinued Operations (Refer note 45-ii)	-	217.95
Exceptional item	-	317.17
<b>Total</b>	<b>3,447.84</b>	<b>4,449.02</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

As at March 31, 2021 the estimated remaining amortisation period for Intangible assets are as follows:

Intangible Assets	Estimated remaining Amortisation period
Customer Relationship	5 year
Acquired Technology	1 year

## 4b Goodwill

	Goodwill
<b><u>Year ended March 31, 2020</u></b>	
Gross carrying amount	33,550.15
Acquisition through business combination	-
Impairment done during year	(1,794.53)
<b>Gross carrying amount</b>	<b>31,755.62</b>
Effect of foreign currency differences	2,162.69
<b>Net carrying amount as at March 31, 2020</b>	<b>33,918.31</b>
<b><u>Year ended March 31, 2021</u></b>	
Gross carrying amount	33,918.31
Acquisition through business combination	-
Impairment done during year	-
<b>Gross carrying amount</b>	<b>33,918.31</b>
Effect of foreign currency differences	53.73
<b>Net carrying amount as at March 31, 2021</b>	<b>33,972.04</b>

## 5 Investment

	Face Value Per Share/ Unit	As at March 31, 2021		As at March 31, 2020	
		Quantity No's	Amount (₹ in Lakhs)	Quantity No's	Amount (₹ in Lakhs)
<b>5a Non-current Investments</b>					
<b>(i) Others (Quoted and Non-Trade):</b>					
Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]			-		477.83
<b>Aggregate Value of Quoted Non-Current Investments</b>			-		<b>477.83</b>
<b>5b Current Investment</b>					
<b>Others (Quoted and Non-Trade):</b>					
Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]			482.11		554.29
<b>Aggregate Value of quoted investments and market value thereof</b>			<b>482.11</b>		<b>554.29</b>
<b>Total current/ non-current investments</b>					
Aggregate value of quoted Investments and market value thereof			<b>482.11</b>		<b>1,032.12</b>
Aggregate Value of Unquoted Investments			-		-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## Terms of Treasury bill

	Name of Bank	ISIN	Maturity Date	Rate of Interest	Face Value in' PHP as on March 31, 2021 (PHP. in Lakhs)	Face Value in' INR as on March 31, 2021 (₹ in Lakhs)
1	UBP - Standard Chartered Bank	PIID0321F092	June 13, 2021	4.88%	319.85	482.11
<b>Total</b>					<b>319.85</b>	<b>482.11</b>

These investments carry a fixed rate of interest and it is maturing through June 13, 2021.

## 6 Other financial asset

	As at March 31, 2021	As at March 31, 2020
Security Deposit	4,464.31	4,915.53
Deposits with bank for Margin Money*	92.78	110.11
Deposits with maturity exceeding 12 months**	1,126.61	1,078.51
Derivatives - Foreign Exchange Forward Contracts (Refer Note 42)	1,448.21	-
<b>Total</b>	<b>7,131.91</b>	<b>6,104.15</b>

\* 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.

## 7a Income Tax Assets (net)

	As at March 31, 2021	As at March 31, 2020
Advance tax and tax deducted at source	57,762.29	47,411.95
Less: Provision for Income tax	48,977.78	39,140.23
<b>Total</b>	<b>8,784.51</b>	<b>8,271.72</b>

## 7b Current tax liabilities

	As at March 31, 2021	As at March 31, 2020
Provision for Income tax	12,712.93	11,836.95
Less: Advance tax & tax deducted at source	10,203.77	8,823.85
<b>Total</b>	<b>2,509.16</b>	<b>3,013.10</b>

## 8 Other non current assets

	As at March 31, 2021	As at March 31, 2020
Capital advances	11.74	56.18
Receivable from related party (Refer Note 31 & 40)	1,868.99	1,868.99
Balances with government authorities	141.85	133.13
Prepaid expenses	608.17	664.18
Others	35.19	34.46
<b>Total</b>	<b>2,665.94</b>	<b>2,756.94</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 9 Trade receivable

	As at March 31, 2021	As at March 31, 2020
Unsecured Trade Receivables	81,318.33	56,609.42
Unsecured Unbilled Receivables	41,735.69	42,323.43
Considered doubtful	213.64	1,923.74
Less: Allowance for bad and doubtful debts	(213.64)	(1,923.74)
<b>Total</b>	<b>123,054.02</b>	<b>98,932.85</b>
Current portion	123,054.02	98,932.85
Non-current portion	-	-

## 10 a Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
in current accounts	31,376.06	40,718.27
in EEFC accounts	7,333.70	211.51
in deposit accounts	10,367.64	11,517.53
in cash credit accounts	3,317.37	407.76
Cheques on hand	588.39	208.04
Cash on hand	20.65	19.32
<b>Total</b>	<b>53,003.81</b>	<b>53,082.43</b>

Balances with banks in current account and EEFC account does not carry any interest. Short-term deposits are made for varying periods between one day to 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.

## 10 b Bank balances other than 10a above

	As at March 31, 2021	As at March 31, 2020
Earmarked Balances with Banks		
Unpaid dividend	41.25	33.83
Unpaid bonus	1.82	1.82
Margin money deposits #	401.81	323.89
Restricted Bank Balances	178.50	50.87
<b>Total</b>	<b>623.38</b>	<b>410.41</b>

# 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)

## 11 Loans

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good (Refer Note 40 )</b>		
Loan to related parties in functional currency		
Opening balance	34,000.00	-
Loans given during the year	106,450.00	34,000.00
Loans repaid	(104,500.00)	-
	35,950.00	34,000.00
Loan to other entities in Foreign currency		
Opening balance	9,232.52	8,486.96
Loans given during the year	19,641.03	-
Loans repaid (Refer note 40a)	(12,097.24)	-
Effect of foreign currency differences	(647.44)	745.56
	16,128.87	9,232.52
<b>Total</b>	<b>52,078.87</b>	<b>43,232.52</b>

The loans were given to respective parties as disclosed in Note 40 for their working capital needs and general corporate purpose. The transactions were made on normal commercial terms and conditions and at the market rate. The average interest rate on the rupee loans during the year was 7.45% to 7.95% (March 31, 2020 – 8.30% to 8.40%) and on foreign currency loan was 2.00% to 3.25% (March 31, 2020 – 2.00%).

During the year the Group has given loan in foreign currency to a third party. Basis the external legal opinion obtained the party is not considered as related party by the Group.

## 12 Other current financial asset

	As at March 31, 2021	As at March 31, 2020
Security Deposit	594.96	725.95
Interest accrued on deposits/ loans	160.45	180.95
Derivatives - Foreign Exchange Forward Contracts (Refer Note 42)	2,231.32	334.54
Finance lease receivables	98.56	-
Other receivables	1,754.76	502.72
Less : Provision for Other receivables	(81.62)	(98.71)
<b>Total</b>	<b>4,758.43</b>	<b>1,645.45</b>

## 13 Other current assets

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured considered good, unless otherwise stated</b>		
Balances with Government Authorities	3,309.05	1,047.23
Advance to employees		
Good	499.36	486.77
Doubtful	9.43	9.43
	508.79	496.20
Less: Provision for Doubtful Advances	(9.43)	(9.43)
	499.36	486.77
Advance to Vendors	1,405.38	729.08
Prepaid Expenses	6,269.75	5,088.84
Others	139.43	116.72
<b>Total</b>	<b>11,622.97</b>	<b>7,468.64</b>

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 14 Equity Share capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorized Share capital:</b>		
27,500,000 (March 31, 2020: 27,500,000) equity shares of ₹ 10/- each	2,750.00	2,750.00
150,000 (March 31, 2020:150,000) 1% Participatory redeemable Non cumulative preference shares of ₹ 10/- each	15.00	15.00
<b>Total</b>	<b>2,765.00</b>	<b>2,765.00</b>
<b>Issued, subscribed and Paid up :</b>		
20,877,255 (March 31, 2020: 20,865,933 ) equity shares of ₹ 10/- each fully paid	2,087.73	2,086.59
<b>Total</b>	<b>2,087.73</b>	<b>2,086.59</b>

### (i) Movements in equity share capital

	No.of shares	Equity share Capital (par value)
<b>As at March 31, 2019</b>	<b>20,838,944</b>	<b>2,083.89</b>
Shares issued to Employees under Employee Stock Option Plan	26,989	2.70
<b>As at March 31, 2020</b>	<b>20,865,933</b>	<b>2,086.59</b>
Shares issued to Employees under Employee Stock Option Plan	11,322	1.14
<b>As at March 31, 2021</b>	<b>20,877,255</b>	<b>2,087.73</b>

#### a) Terms and 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, 2021	As at March 31, 2020
i) Hinduja Global Solutions Limited Employee Stock Option Plan 2008	34,400	37,500
ii) Hinduja Global Solutions Limited Employee Stock Option Plan 2011	9,422	21,530

### (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, 2021		As at March 31, 2020	
	Number of Shares	% held	Number of Shares	% held
Hinduja Group Limited	6,858,541	32.85%	5,818,541	27.89%
Hinduja Group Limited jointly with Hinduja Realty Ventures Limited	2,314,490	11.09%	3,354,490	16.08%
Amas Mauritius Limited	2,761,427	13.23%	2,761,427	13.23%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 15 Borrowings

	Maturity date	Terms of repayment	Coupon/Interest rate	As at March 31, 2021	As at March 31, 2020
<b>A. Borrowings - non-current</b>					
<b>Secured</b>					
Term loans from banks					
Corporate loan a	October, 2021	Repayable in 16 equal quarterly instalments	2.21% (1.5% over weighted average ROI of Fixed Deposit Receipts)	-	9.59
Corporate loan b	September, 2023	Repayable equal quarterly instalments	3 months LIBOR+2.10% P.a.	5,218.27	7,525.39
Corporate loan c	November, 2023	Repayable equal quarterly instalments	3 months LIBOR+3.10% and 6months LIBOR+3.10%	12,801.48	17,624.27
Foreign Currency Term Loans from Banks d	February, 2024	Quarterly instalments w. e.f. May,2020	3 Months LIBOR+1.05%	11,016.98	15,132.92
<b>Unsecured</b>					
Others				296.34	544.44
<b>Total borrowings</b>				<b>29,333.07</b>	<b>40,836.61</b>
Less: Current maturities of long-term debt (included in note 20)				10,134.68	10,526.12
Less: Interest accrued (included in note 20)				64.34	112.16
<b>Non-current borrowings</b>				<b>19,134.05</b>	<b>30,198.33</b>
<b>B. Borrowings - current</b>					
<b>Secured</b>					
Bank Overdrafts e	Payable on demand	Payable on demand	1 to 6 Months Bank MCLR + Spread, as applicable	-	8,420.77
Bank Overdrafts a	Payable on demand	Payable on demand	2.21% (1.5% over weighted average ROI of Fixed Deposit Receipts)	34.35	-
Bank Overdrafts f	Payable on demand	Payable on demand	3 months LIBOR+3.00%	-	693.35
Revolver Loan b	Payable on demand	Payable on demand	3 months LIBOR+ 2.10% p.a	10,055.37	10,366.63
Bank Overdrafts f	Payable on demand	Payable on demand	LIBOR + 2.75% p.a	-	217.19
<b>Total Current borrowings</b>				<b>10,089.72</b>	<b>19,697.94</b>
Aggregate Secured loans				39,062.11	59,877.95
Aggregate Unsecured loans				296.34	544.44

### Secured borrowings and assets pledged as security

- Secured by pledge and lien on fixed deposit and margin money with the bank.
- 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 also secured by first exclusive charge on entire moveable fixed assets of the Company (both present and future).
- Secured by first paripassu charge on entire current assets of the company both present and future.
- Secured by charge on all assets of the company.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 16 Lease Liabilities

	As at March 31, 2021	As at March 31, 2020
<b>a. Lease Liabilities - non-current</b>		
Total lease liabilities	78,580.31	84,407.28
Less: Current Maturities of Lease Obligations	(12,122.27)	(11,492.91)
	<b>66,458.04</b>	<b>72,914.37</b>
<b>b. Lease Liabilities - current</b>	12,122.27	11,492.91
	<b>12,122.27</b>	<b>11,492.91</b>
<b>Total</b>	<b>78,580.31</b>	<b>84,407.28</b>

## 17 Other non-current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Deferred consideration payable (Refer note 41)	-	1,655.42
Derivatives - Foreign Exchange Forward Contracts and Interest rate swap (Refer Note 42)	398.28	3,677.82
<b>Total</b>	<b>398.28</b>	<b>5,333.24</b>

## 18 Provisions

	As at March 31, 2021	As at March 31, 2020
Pension (Refer Note 38)	9,982.16	8,203.75
Gratuity (Refer Note 38)	2,414.21	2,292.46
Deferred compensation Payable (Refer note 38)	8,555.34	2,812.03
<b>Total</b>	<b>20,951.71</b>	<b>13,308.24</b>

## 19 Trade Payables

	As at March 31, 2021	As at March 31, 2020
i. Total outstanding dues of micro enterprises and small enterprises (Refer Note 46)	437.09	534.25
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	37,927.71	27,640.98
<b>Total</b>	<b>38,364.80</b>	<b>28,175.23</b>

## 20 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-Term Debt	10,134.68	10,526.12
Interest Accrued	64.34	112.16
Employee benefits payable	20,817.58	16,789.45
Capital Creditors	853.97	866.51
Unpaid Dividend [Refer note (a) below]	41.25	33.83
Deferred consideration payable (Refer Note 43 foot note c)	1,840.81	2,015.30
Derivatives - Foreign Exchange Forward Contracts (Refer Note 42)	825.00	3,398.91
<b>Total</b>	<b>34,577.63</b>	<b>33,742.28</b>

- 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 21 Current - provisions

	As at March 31, 2021	As at March 31, 2020
Compensated Absences (Refer Note 38)	8,127.95	5,775.88
<b>Total</b>	<b>8,127.95</b>	<b>5,775.88</b>

## 22 Contract liabilities - Non Current

	As at March 31, 2021	As at March 31, 2020
Deferred revenue	1,023.58	152.54
<b>Total</b>	<b>1,023.58</b>	<b>152.54</b>

## 23 Contract liabilities

	As at March 31, 2021	As at March 31, 2020
Deferred revenue	2,386.60	651.98
<b>Total</b>	<b>2,386.60</b>	<b>651.98</b>

## 24 Other Current liabilities

	As at March 31, 2021	As at March 31, 2020
Advances from customers	1,209.84	521.21
Statutory dues payable	7,329.78	5,073.84
Other Payables	1,019.42	1,233.46
<b>Total</b>	<b>9,559.04</b>	<b>6,828.51</b>

## 25 Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of services</b>		
Business Process Management	558,891.83	498,650.37
<b>Total</b>	<b>558,891.83</b>	<b>498,650.37</b>

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.

Country / region	Year ended March 31, 2021	Year ended March 31, 2020
USA and Canada	469,263.36	427,385.26
India	24,119.65	49,463.50
UK & Europe	51,966.55	31,911.30
Rest of the world	13,542.27	14,776.48
<b>Total revenue from contracts with customers*</b>	<b>558,891.83</b>	<b>523,536.54</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Major product/service lines	Year ended March 31, 2021	Year ended March 31, 2020
Business Process Management	558,891.83	523,536.54
<b>Total revenue from contracts with customers*</b>	<b>558,891.83</b>	<b>523,536.54</b>

Category of customer	Year ended March 31, 2021	Year ended March 31, 2020
Health Insurance, Pharma and Healthcare	311,861.64	280,285.76
Consumer Electronics, Products, Services and Retail	55,497.96	55,500.11
Banking and Financial services	45,661.46	46,296.34
Telecom and Technology	79,865.64	82,200.47
Media	12,742.73	11,088.50
Chemicals and Biotech	9,445.27	6,601.80
Others	43,817.13	41,563.57
<b>Total revenue from contracts with customers*</b>	<b>558,891.83</b>	<b>523,536.55</b>

\* Above revenues are including both Continuing and Discontinued operations.

## 26 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on financial assets carried at amortised cost	3,474.24	1,280.79
Unwinding of discount on security deposits	564.64	588.41
Foreign Exchange Gain (net)	(1,362.25)	1,513.79
Income from sale of export scrips	3,777.04	885.71
Income from discontinuation of leases	865.34	1,079.09
Profit on Sale of property, plant and equipment	33.21	15.07
Provision for Doubtful Debts no longer required written-back	265.19	3.13
Miscellaneous income	540.25	347.24
<b>Total</b>	<b>8,157.66</b>	<b>5,713.23</b>

## 27 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	355,557.63	310,353.15
Contribution to provident and other funds (Refer Note 38 (iv))	20,729.60	17,582.09
Gratuity and Pension expense (Refer Note 38) (v)	2,084.06	1,659.25
Staff welfare expenses	2,198.87	3,192.96
<b>Total</b>	<b>380,570.16</b>	<b>332,787.45</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 28 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on		
Term loans from bank	1,752.09	2,562.15
Cash credit and others	411.61	222.35
Interest expense on leases	6,293.48	6,035.46
Other borrowing costs	372.46	604.13
<b>Total</b>	<b>8,829.64</b>	<b>9,424.09</b>

## 29 Depreciation and Amortization expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment( Refer Note 2)	12,551.68	12,319.07
Depreciation on Right of use assets ( Refer Note 3)	14,751.79	12,891.38
Amortization of intangibles( Refer Note 4a)	3,447.84	3,913.90
<b>Total</b>	<b>30,751.31</b>	<b>29,124.35</b>

## 30 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2021
Power and Fuel	4,109.29	5,680.44
Rent	2,555.76	2,873.82
Repairs and Maintenance - Leased Premises	3,716.94	5,276.70
Repairs and Maintenance - Others	7,630.97	5,728.08
Insurance	1,533.47	1,304.49
Rates and Taxes	2,014.40	1,942.87
Directors' Remuneration	407.63	431.00
Connectivity Cost	12,981.28	21,200.88
Advertisement and Business Promotion	2,477.31	2,244.80
Communication	6,834.71	4,546.79
Travelling, Conveyance and Car Hire Charges	5,022.30	7,334.32
Legal and Professional	16,772.06	11,839.79
Training and Recruitment	4,590.54	3,378.56
Commission	11,038.00	10,115.42
Donations	22.58	114.98
Software Expenses	6,693.90	4,633.49
Fulfillment Cost	339.30	645.45
Corporate Social Responsibility (Refer Note no 30 a)	481.00	435.00
Bad Debts/ Advances Written off	60.12	127.87

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2021
Allowance for bad and doubtful debts/ advances	366.66	313.84
Loss on Sale of Assets (net)	929.25	-
Fixed Assets Written Off	127.78	13.37
Miscellaneous Expenses	10,274.11	9,003.61
<b>Total</b>	<b>100,979.36</b>	<b>99,185.57</b>

## 30a Corporate Social Responsibility (CSR)

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spent by the Company during the year	448.00	435.00
<b>Total</b>	<b>448.00</b>	<b>435.00</b>

Amount spent during the year	In Cash*	In Cash*
	March 31, 2021	March 31, 2020
a. On various activities (Refer note below)	481.00	435.00
<b>Total</b>	<b>481.00</b>	<b>435.00</b>

\* 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	40.00
The Akshaya Patra Foundation	Nutrition & Education	50.00
Hinduja Foundation	Contribution to Disaster Relief (Covid-19) & Healthcare service	283.00
Step Up For India	Grant English programme in Government schools	10.00
Yuva Unstoppable	Grant evolution programme	20.00
Samarthanam Trust for the Disabled	Grant implementing Samarthanam livelihood Programme	28.00
Jaldhaara Foundation	Grant Providing safe drinking water to Government School	25.00
Learning Links Foundation	Grant Road to school programme	25.00
<b>Total</b>		<b>481.00</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 31 Contingent Liabilities

### a) Contingent Liabilities

A) Claims against the group not acknowledged as debts:

Particulars	March 31, 2021	March 31, 2020
1. Income Tax demand		
(i) Prior AY 2007-08 (Refer note 1 and 2 below)	16,446.27	16,274.87
(ii) From AY 2007-08 (Refer note 2 below)	10,377.44	10,045.66
(iii) Others (Refer note 3 below)	207.25	-
2. Claims against the Company not acknowledged as debts (Refer note 4 below)	131.70	135.66

#### Notes:

- 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 ₹ 16,446.27 Lakhs including interest ₹ 7,645.50 Lakhs (March 31, 2020 - ₹ 16,274.87 Lakhs, ₹ 7,475.38 Lakhs respectively).

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 including interest of ₹ Nil during the year (March 31, 2020- ₹ Nil including interest of ₹ Nil) and the net outstanding amount as at March 31, 2021 of ₹ 1,868.99 Lakhs (March 31, 2020 of ₹ 1,868.99 Lakhs) is included in Receivable from related party - Note 8.

- The Company has received Income Tax Demand orders for the A.Y. (Assessment Year) 2007-08 to A.Y. 2011-12. 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 ₹ 10,377.44 Lakhs including interest ₹ 1,926.87 Lakhs (March 31, 2020 - ₹ 10,045.66 Lakhs, ₹ 1,902.73 Lakhs respectively).

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.

- The Philippines branch of the Group has tax benefit under PEZA (Income tax holiday). The benefit is granted subject to fulfilment of certain terms & conditions. PEZA has raised an objection on investment condition criteria along with demand. The Group is confident about fulfilment of criteria upon relaxation of COVID situation in the Philippines.
- 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.
- The Group 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 ₹1,731.23 Lakhs (As at March 31, 2020: ₹1,748.89 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).
Vesting period	Options to vest over a period of three years from the date of their grant as under: <ul style="list-style-type: none"> <li>- 1/6<sup>th</sup> of the options granted will vest on the first anniversary of the grant date.</li> <li>- 1/3<sup>rd</sup> of the options granted will vest on the second anniversary of the grant date.</li> <li>- 1/2 of the options granted will vest on the third anniversary of the grant date.</li> </ul>	Options to vest over a period of three years from the date of their grant as under: <ul style="list-style-type: none"> <li>- 1/6<sup>th</sup> of the options granted will vest at the end of one year from the grant date.</li> <li>- 1/6<sup>th</sup> of the options granted will vest at the end of 18 months from the grant date.</li> <li>- 1/6<sup>th</sup> of the options granted will vest at the end of 24 months from the grant date.</li> <li>- 1/4<sup>th</sup> of the options granted will vest at the end of 30 months from the grant date.</li> <li>- 1/4<sup>th</sup> of the options granted will vest at the end of 36 months from the grant date.</li> </ul>
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	₹ 551.93 per share	₹ 534.40 - ₹ 726.38 per share

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	ESOP 2008	ESOP 2011
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, 2021		As at March 31, 2020	
	Average exercise Price Per share (INR)	Number of Options	Average exercise Price Per share (INR)	Number of Options
Opening balance	555.32	37,500	514.97	42,456
Granted during the year	-	-	592.05	30,000
Lapsed during the year	536.95	(1,135)	514.97	(15,648)
Exercised during the year	551.93	(1,965)	595.49	(19,308)
<b>Closing Balance</b>		<b>34,400</b>		<b>37,500</b>
Vested and exercisable		9,400		5,300

## ESOP 2011

	As at March 31, 2021		As at March 31, 2020	
	Average exercise Price Per share (INR)	Number of Options	Average exercise Price Per share (INR)	Number of Options
Opening balance	514.97	21,530	544.28	43,376
Granted during the year	665.05	5,000	-	-
Lapsed during the year	514.97	(7,751)	544.28	(14,165)
Exercised during the year	630.35	(9,357)	601.79	(7,681)
<b>Closing Balance</b>		<b>9,422</b>		<b>21,530</b>
Vested and exercisable		4,422		19,880

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2021 - ESOP 2008: ₹ 551.93 and ESOP 2011: ₹ 612.37. (Year ended March 31, 2020 - ESOP 2008: ₹ 598.99 and ESOP 2011: ₹ 587.72)

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, 2021)	Share options (March 31, 2020)
April 21, 2017	ESOP 2008	April 21, 2021	565.05	4,400	5,000
August 10, 2017	ESOP 2008	August 10, 2021	508.85	-	2,500
August 5, 2019	ESOP 2008	August 5, 2023	592.05	30,000	30,000
November 6, 2015	ESOP 2011	November 6, 2020	471.00	-	11,080
April 21, 2017	ESOP 2011	April 21, 2022	565.05	4,422	7,950
August 10, 2017	ESOP 2011	August 10, 2022	508.85	-	2,500
November 3, 2020	ESOP 2011	November 3, 2025	665.05	5,000	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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, 2021)	Remaining life (months)	Share options (March 31, 2020)
April 21, 2017	ESOP 2008	April 21, 2021	1	4,400	12	5,000
August 10, 2017	ESOP 2008	August 10, 2021	-	-	16	2,500
August 5, 2019	ESOP 2008	August 5, 2023	28	30,000	39	30,000
November 6, 2015	ESOP 2011	November 6, 2020	-	-	7	11,080
April 21, 2017	ESOP 2011	April 21, 2022	13	4,422	24	7,950
August 10, 2017	ESOP 2011	August 10, 2022	-	-	28	2,500
November 3, 2020	ESOP 2011	November 3, 2025	54	5,000	-	-

## (i) Fair value of options granted

The fair value of options granted during the year ended March 31, 2021 is ₹ 208.07 (March 31, 2020 ₹ 177.36). 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 2011	November 3, 2020	208.07

The model inputs for options granted during the year ended March 31, 2021 included:

	ESOP 2008 scheme		ESOP 2011 scheme	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
i) Exercise price	-	592.05	665.05	-
ii) Grant date	-	August 5, 2019	November 3, 2020	-
iii) Expiry date	-	August 5, 2023	November 3, 2025	-
iv) Share price at grant date	-	595.00	674.05	-
v) Expected price volatility	-	33.09%	40.66%	-
vi) Expected dividend yield	-	0.38%	0.92%	-
vii) Risk free interest rate	-	6.01%	4.70%	-

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, 2021	March 31, 2020
Employee share based payment expenses	12.86	15.85
Employee share based payment Income	(3.38)	(36.43)
<b>Total</b>	<b>9.48</b>	<b>(20.58)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 33 Earnings per share (EPS)

	March 31, 2021	March 31, 2020
<b>Numerator for Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS (₹. in Lakhs) (both continuing and discontinued operations)	33,605.13	20,194.32
Weighted average number of equity shares (Nos.) for calculating basic earnings per share	20,872,996	20,851,475
Weighted average number of equity shares (Nos.) for calculating Diluted earnings per share	20,895,502	20,862,990
Basic EPS attributable to the equity holders of the Company (₹)	161.00	96.85
Diluted EPS attributable to the equity holders of the Company (₹)	160.82	96.79
Nominal value of shares (₹)	10.00	10.00
Number of shares considered for basic EPS	20,872,996	20,851,475
Add: Effect of dilutive issues of stock options	22,506	11,515
Number of shares considered for diluted EPS	20,895,502	20,862,990

## 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:

	March 31, 2021	March 31, 2020
<b>Current</b>		
Financial Assets		
First Charge		
Current Assets	305,766.54	262,727.39
<b>Total current assets pledged as security</b>	<b>305,766.54</b>	<b>262,727.39</b>
<b>Non-Current</b>		
Exclusive charge		
Land	100.97	100.97
Building	2,198.06	2,244.66
Second charge		
Non-current assets	36,643.89	36,144.30
<b>Total non-current assets pledged as security</b>	<b>38,942.92</b>	<b>38,489.93</b>
<b>Total assets pledged as security</b>	<b>344,709.46</b>	<b>301,217.32</b>

## 35 Impairment

Goodwill movement:

	March 31, 2021	March 31, 2020
<b>Opening Balance</b>	<b>33,918.31</b>	<b>33,550.15</b>
Less: Impairment of Goodwill relating to HGS Axis Point Health LLC operations	-	(1,794.53)
Add: Translation adjustments	53.73	2,162.69
<b>Closing Balance</b>	<b>33,972.04</b>	<b>33,918.31</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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.

The carrying value of goodwill translated at year end exchange rates, is allocated to the following CGU's

	March 31, 2021	March 31, 2020
Business process management - Healthcare and CES operations, USA	14,167.75	14,594.02
Business process management - EBOS business, USA	4,759.05	4,902.24
Business process management - UK operations	10,502.91	9,818.40
Business process management - India Human resource operations	2,493.11	2,493.11
Business process management - Element Solutions LLC, USA	2,049.22	2,110.54
<b>Total</b>	<b>33,972.04</b>	<b>33,918.31</b>

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 %)

	March 31, 2021	March 31, 2020
Growth rate	0% to 10%	2% to 10%
Post-tax discount rate	11.5% to 17%	13% to 17%
Terminal growth rate	2%	2% to 3%

The recoverable amount have exceeded the carrying value of CGU and no impairment was recognised in the current year. During the previous year, the goodwill pertaining to HGS Axis Point Health LLC was fully impaired. 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 of any of the cash generating units to exceed the recoverable amount.

## 36 Tax expense

The parent company of the Group has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for Income tax for the year ended March 31, 2021 and re-measured its Deferred Tax basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss and other comprehensive income respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## a) Tax Expense

	Year ended March 31, 2021			Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
<b>Current Tax</b>						
Current tax on profits for the year	12,464.31	-	12,464.31	12,583.95	387.48	12,971.43
Current tax relating to prior years	580.77	-	580.77	(90.92)	-	(90.92)
<b>Total Current tax expense</b>	<b>13,045.08</b>	<b>-</b>	<b>13,045.08</b>	<b>12,493.03</b>	<b>387.48</b>	<b>12,880.51</b>
<b>Deferred Tax</b>						
Decrease/ (Increase) in Deferred tax assets	(2,253.91)	-	(2,253.91)	832.83	644.50	1,477.33
<b>Total Deferred tax expense</b>	<b>(2,253.91)</b>	<b>-</b>	<b>(2,253.91)</b>	<b>832.83</b>	<b>644.50</b>	<b>1,477.33</b>
<b>Tax expense</b>	<b>10,791.17</b>	<b>-</b>	<b>10,791.17</b>	<b>13,325.86</b>	<b>1,031.98</b>	<b>14,357.84</b>

## b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory tax rate

	Year ended March 31, 2021			Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Profit before income tax expense	44,396.32	-	44,396.32	31,729.97	3,189.16	34,919.13
<b>Tax at Indian tax rate of 25.168% (2019-20 - 34.94%)</b>	<b>11,173.67</b>	<b>-</b>	<b>11,173.67</b>	<b>11,086.45</b>	<b>1,114.29</b>	<b>12,200.74</b>
Tax effects of amounts which are not deductible (taxable) in calculating taxable income						
- Exempt Income [Refer Note (i) below]#	(389.32)	-	(389.32)	(3,992.36)	-	(3,992.36)
- Expenses Disallowed	121.71	-	121.71	75.99	-	75.99
- Impairment of Goodwill and Intangibles	-	-	-	443.55	-	443.55
Other items						
- Reversal of deferred tax of prior years	(289.71)	-	(289.71)	2,124.24	-	2,124.24
- Difference in overseas tax rate for foreign operation	950.53	-	950.53	1,787.79	-	1,787.79
- Tax credit on profit earned by foreign operation [Refer Note (ii) below]	(270.15)	-	(270.15)	(979.34)	-	(979.34)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Year ended March 31, 2021			Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
- Deferred Tax Assets recognised on unabsorbed business losses						
a. Deferred tax assets on previously unrecognised tax loss	(1,707.70)	-	(1,707.70)	-	-	-
b. Current tax benefit on previously unrecognised tax loss	(1,378.80)	-	(1,378.80)	-	-	-
- Deferred tax assets not recognized on losses for the period of certain subsidiaries	1,127.33	-	1,127.33	2,356.81	-	2,356.81
- Impact on deferred tax due to tax rate change	1,309.12	-	1,309.12	280.00	-	280.00
- Tax (current and deferred) tax of prior years	91.09	-	91.09	(90.54)	-	(90.54)
- Difference in tax rate for profit on sale of Operations	-	-	-	-	(82.31)	(82.31)
- Other adjustments	53.40	-	53.40	233.27	-	233.27
<b>Income Tax expense</b>	<b>10,791.17</b>	<b>-</b>	<b>10,791.17</b>	<b>13,325.86</b>	<b>1,031.98</b>	<b>14,357.84</b>
<b>Effective tax rate</b>	<b>24%</b>	<b>-</b>	<b>24%</b>	<b>42%</b>	<b>32%</b>	<b>41%</b>

# Exempt income includes tax holiday period income and dividend income.

## 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 ₹ Nil and ₹ 3,656.66 lakhs for the years ended March 31, 2021 and 2020, respectively.
- (ii) This amount represents the benefit received by certain entities of Group in respect of taxes payable by the foreign operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 37 Deferred tax liabilities & Deferred tax assets

The balance comprises temporary differences attributable to:

	Deferred tax assets/ (Liabilities) as on April 01, 2020	Credit/ (Charge) due to change in tax rate in statement of profit and loss	(Charge)/ Credit Through P&L	(Charge)/ Credit due to change in tax rate in OCI	(Charge)/ Credit Through OCI	(Charge)/ Credit Through FCTR	Deferred tax assets/ (Liabilities) as on March 31, 2021
<b>Deferred Tax Liabilities</b>							
Property, Plant and Equipment	(2,013.22)	(47.01)	(84.62)	-	-	81.90	(2,062.95)
Intangible Assets	(3,463.71)	226.17	265.21	-	-	(39.59)	(3,011.92)
Operating leases	-	-	(8.78)	-	-	(0.30)	(9.08)
<b>Total Deferred Tax Liabilities</b>	<b>(5,476.93)</b>	<b>179.16</b>	<b>171.81</b>	<b>-</b>	<b>-</b>	<b>42.01</b>	<b>(5,083.95)</b>
Less: Set off	(2,768.60)	-	-	-	-	-	(4,784.28)
<b>Net Deferred Tax Liabilities</b>	<b>(2,708.33)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(299.67)</b>
<b>Deferred Tax Assets</b>							
Defined Benefit Obligation and Compensated Absences	1,857.92	(386.39)	143.00	(362.26)	15.64	6.90	1,274.81
Derivatives	2,417.56	-	-	(662.85)	(2,372.21)	(9.01)	(626.51)
Leases	3,365.73	(763.76)	60.84	-	-	6.31	2,669.12
Deferred performance Incentive	733.02	(175.85)	1,119.99	-	-	(9.54)	1,667.62
Carry forward of unused tax losses	2,144.34	-	1,616.54	-	-	41.79	3,802.67
Accrued Interest	773.94	(56.43)	(704.53)	-	-	(12.98)	-
Allowance for doubtful debts	394.22	(41.92)	(293.11)	-	-	(5.42)	53.77
Accrued Expenses	787.32	(57.40)	2,078.46	-	-	(50.60)	2,757.78
Others	770.53	(6.53)	(629.97)	-	-	6.12	140.15
<b>Total Deferred Tax Assets</b>	<b>13,244.58</b>	<b>(1,488.28)</b>	<b>3,391.22</b>	<b>(1,025.11)</b>	<b>(2,356.57)</b>	<b>(26.43)</b>	<b>11,739.41</b>
Less: Set off	(2,768.60)	-	-	-	-	-	(4,784.28)
<b>Net Deferred Tax Assets</b>	<b>10,475.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,955.13</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	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
<b>Deferred Tax Liabilities</b>						
Property, Plant and Equipment	(1,876.55)	-	15.48	-	(152.15)	(2,013.22)
Intangible Assets	(3,133.14)	-	108.47	-	(439.04)	(3,463.71)
Derivatives	(634.63)	-	-	634.63	-	-
<b>Total Deferred Tax Liabilities</b>	<b>(5,644.32)</b>	<b>-</b>	<b>123.95</b>	<b>634.63</b>	<b>(591.19)</b>	<b>(5,476.93)</b>
Less: Set off	(4,981.10)	-	-	-	-	(2,768.60)
<b>Net Deferred Tax Liabilities</b>	<b>(663.22)</b>					<b>(2,708.33)</b>
<b>Deferred Tax Assets</b>						
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
Leases	-	3,436.39	(96.59)	-	25.93	3,365.73
Deferred performance Incentive	-	-	722.33	-	10.69	733.02
Carry forward of unused tax losses	4,000.54	-	(2,081.11)	-	224.91	2,144.34
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
<b>Total Deferred Tax Assets</b>	<b>8,435.91</b>	<b>3,436.39</b>	<b>(1,601.26)</b>	<b>2,586.23</b>	<b>387.31</b>	<b>13,244.58</b>
Less: Set off	(4,981.10)	-				(2,768.60)
<b>Net Deferred Tax asset</b>	<b>3,454.81</b>					<b>10,475.98</b>

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 ₹ 54,620.53 lakhs and ₹ 49,652.68 lakhs as at March 31, 2021 and March 31, 2020 respectively available for offset against future taxable profits. Of the ₹ 54,620.53 lakhs of unused losses, ₹ 11,473.20 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 ₹ 31,270.43 lakhs and ₹ 42,329.41 lakhs for the period ended March 31, 2021 and March 31, 2020 respectively due to lack of probable future taxable profits.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 ₹ 3,802.67 lakhs and ₹ 2,144.34 lakhs in respect of unused tax losses of its various subsidiaries as at March 31, 2021 and 2020 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 ₹ 131,768.08 lakhs and ₹ 111,569.54 lakhs as of March 31, 2021 and 2020, respectively have not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

## 38 Employee benefit obligations

### (i) Compensated Absences

The leave obligations cover the Group's liability for sick and earned leave of employees.

The amount of the provision of ₹ 8,127.95 Lakhs (March 31, 2020: ₹ 5,775.88 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 carries has made a provision of ₹ 8,555.34 lakhs as at March 31, 2021. (March 31, 2020: ₹ 2,812.03 Lakhs)

### (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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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
- 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, 2021	Year ended March 31, 2020*
Employers' Contribution to Provident Fund	3,836.14	4,606.92
Employers' Contribution to Superannuation Fund	3.00	3.83
Employers' Contribution to Employee's State Insurance	795.12	1,270.83
Employer's Contribution to Other Employees Contribution Scheme	16,095.34	13,084.92
<b>Total</b>	<b>20,729.60</b>	<b>18,966.50</b>

\* Above expenses are including both Continuing and Discontinued operations.

## (v) Defined 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
<b>April 1, 2019</b>	<b>6,397.60</b>	<b>(585.82)</b>	<b>5,811.78</b>
Current service cost	872.82	-	872.82
Net interest cost	393.03	(35.99)	357.04
<b>Total amount recognised in statement of profit and loss</b>	<b>1,265.85</b>	<b>(35.99)</b>	<b>1,229.86</b>
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	5.02	5.02
- Actuarial (gain)/loss from change in financial assumptions	313.79	-	313.79
- Actuarial (gain)/loss arising from experience adjustments	51.17	-	51.17
<b>Total amount recognised in other comprehensive income</b>	<b>364.96</b>	<b>5.02</b>	<b>369.98</b>
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	-	-	-
<b>March 31, 2020</b>	<b>8,575.07</b>	<b>(371.32)</b>	<b>8,203.75</b>

# 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
<b>April 1, 2020</b>	<b>8,575.07</b>	<b>(371.32)</b>	<b>8,203.75</b>
Current service cost	1,093.59	-	1,093.59
Net interest cost	435.31	(18.81)	416.50
<b>Total amount recognized in Statement of profit and loss</b>	<b>1,528.90</b>	<b>(18.81)</b>	<b>1,510.09</b>
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	2.05	2.05
- Actuarial (gain)/loss from change in financial assumptions	640.14	-	640.14
- Actuarial (gain)/loss arising from experience adjustments	371.79	-	371.79
<b>Total amount recognized in other comprehensive income</b>	<b>1,011.93</b>	<b>2.05</b>	<b>1,013.98</b>
Exchange differences (Recongnised in Foreign Currency translation reserve)	147.51	(5.96)	141.55
Contributions:			
- Employers	-	(887.23)	(887.23)
- Plan participants	-	-	-
Payments from plan:			
Benefit payments	(937.69)	937.69	-
Settlements	-	-	-
<b>March 31, 2021</b>	<b>10,325.72</b>	<b>(343.58)</b>	<b>9,982.14</b>

## 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
<b>April 1, 2019</b>	<b>2,487.92</b>	<b>327.85</b>	<b>2,815.77</b>	<b>(1,135.89)</b>	<b>1,679.88</b>
Current Service Cost	345.85	40.29	386.14	-	386.14
Interest expense/(income)	155.53	21.84	177.37	(73.15)	104.22
<b>Total Amount recognized in Statement of profit and loss</b>	<b>501.38</b>	<b>62.13</b>	<b>563.51</b>	<b>(73.15)</b>	<b>490.36</b>
Remeasurements					
- Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	60.47	60.47
- Actuarial (gain)/loss from change in demographic assumptions	71.23	-	71.23	-	71.23
- Actuarial (gain)/loss 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
<b>Total amount recognised in other comprehensive income</b>	<b>416.73</b>	<b>71.59</b>	<b>488.32</b>	<b>60.47</b>	<b>548.79</b>

# 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
Transfers	-	-	-	-	-
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	-
<b>March 31, 2020</b>	<b>2,746.76</b>	<b>422.81</b>	<b>3,169.57</b>	<b>(877.11)</b>	<b>2,292.46</b>

	Funded	Unfunded	Present Value of Defined benefit obligation	Fair value of plan assets	Net Amount
<b>April 1, 2020</b>	<b>2,746.76</b>	<b>422.81</b>	<b>3,169.57</b>	<b>(877.11)</b>	<b>2,292.46</b>
Transfer of liability from an Unfunded to Funded plan during the year	319.44	(319.44)	-	-	-
<b>Total as on April 1, 2020</b>	<b>3,066.20</b>	<b>103.37</b>	<b>3,169.57</b>	<b>(877.11)</b>	<b>2,292.46</b>
Current Service Cost	430.71	19.32	450.03	-	450.03
Interest expense/(income)	165.87	5.39	171.26	(47.34)	123.92
<b>Total Amount recognised in statement of profit and loss</b>	<b>596.58</b>	<b>24.71</b>	<b>621.29</b>	<b>(47.34)</b>	<b>573.95</b>
Remeasurements					
- Return on plan assets, excluding amounts included in Interest expense/income	-	-	-	(0.86)	(0.86)
- Actuarial (gain)/loss from change in demographic assumptions	(64.69)	(19.37)	(84.06)	-	(84.06)
- Actuarial (gain)/loss from change in financial assumptions	62.40	1.07	63.47	-	63.47
- Actuarial (gain)/loss arising from experience adjustments	51.71	25.12	76.83	-	76.83
<b>Total amount recognized in other comprehensive income</b>	<b>49.42</b>	<b>6.82</b>	<b>56.24</b>	<b>(0.86)</b>	<b>55.38</b>
Contributions:					
Employer contributions	-	-	-	(489.69)	(489.69)
Liability Transferred Out/ Divestments	-	-	-	-	-
Benefit payments	(159.29)	(17.89)	(177.18)	159.29	(17.89)
<b>March 31, 2021</b>	<b>3,552.91</b>	<b>117.01</b>	<b>3,669.92</b>	<b>(1,255.71)</b>	<b>2,414.21</b>

The following table shows the breakdown of the defined benefit obligation and plan assets:

	March 31, 2021			March 31, 2020		
	Gratuity	Pension	Total	Gratuity	Pension	Total
Present Value of Obligation	3,669.92	10,325.72	13,995.64	3,169.57	8,575.07	11,744.64
Fair value of plan assets	(1,255.71)	(343.58)	(1,599.29)	(877.11)	(371.32)	(1,248.43)
<b>Total Liability</b>	<b>2,414.21</b>	<b>9,982.14</b>	<b>12,396.35</b>	<b>2,292.46</b>	<b>8,203.75</b>	<b>10,496.21</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## (vi) Actuarial assumptions pension and gratuity

The significant actuarial assumptions were as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Pension	Gratuity	Pension	Gratuity
Discount Rate	4.67%	3.86%-5.58%	4.96%	5.21%-5.45%
Salary growth rate	3.40%	4% - 8%	3.00%	4%-6%
Rate of return on Plan assets	4.67%	3.86%-5.58%	4.96%	5.45%
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.	20% to 70%	8% to 37% p.a.	10% to 50%

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 past experience of employee turnover. The expected return on plan assets is based on expectation of the average rate of return expected on investment of the fund.

## (vii) Sensivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

### Impact on defined benefit obligation

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount Rate	1%	1%	(1,049.63)	(747.83)	1,102.88	783.23
Salary Growth rate	1%	1%	1,104.78	798.36	(1,079.14)	(786.31)

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

	March 31, 2021			March 31, 2020		
	Level -1	Level-3	Total	Level -1	Level-3	Total
<b>Pension</b>						
Debt Instruments						
- Government Bonds	142.74	-	142.74	77.11	-	77.11
- Corporate Bonds	138.14	-	138.14	206.99	-	206.99
Cash and cash equivalents	61.56	-	61.56	85.33	-	85.33
Others	-	1.14	1.14	-	1.89	1.89
<b>Gratuity</b>						
Investment funds (Gratuity)						
Insurance Funds (LIC Pension and Group Schemes fund)	-	1,255.71	1,255.71	-	877.11	877.11
<b>Total</b>	<b>342.44</b>	<b>1,256.85</b>	<b>1,599.29</b>	<b>369.43</b>	<b>879.00</b>	<b>1,248.43</b>



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(All amounts are in Rupees Lakhs)

## (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.

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 2020-21 (PY 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, 2022 is ₹ 1,564.06 lakhs [Gratuity ₹ 879.67 Lakhs; Pension ₹ 684.39 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
<b>March 31, 2021</b>					
Pension plan benefit obligation	684.39	772.10	3,276.37	48,878.08	<b>53,610.94</b>
Gratuity plan benefit obligation	879.67	637.56	1,326.71	1,599.49	<b>4,443.43</b>
<b>Total</b>	<b>1,564.06</b>	<b>1,409.66</b>	<b>4,603.08</b>	<b>50,477.57</b>	<b>58,054.37</b>
<b>March 31, 2020</b>					
Pension plan benefit obligation	1,012.13	602.80	2,267.25	39,152.28	<b>43,034.46</b>
Gratuity plan benefit obligation	359.58	363.54	772.24	2,594.53	<b>4,089.89</b>
<b>Total</b>	<b>1,371.71</b>	<b>966.34</b>	<b>3,039.49</b>	<b>41,746.81</b>	<b>47,124.35</b>

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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:

	March 31, 2021	March 31, 2020
Total borrowings (Refer Note 15)	39,358.45	60,422.38
Cash and cash equivalents(Refer Note 10 a)	(53,003.81)	(53,082.43)
<b>Net Debt</b>	<b>(13,645.36)</b>	<b>7,339.95</b>
<b>Total Equity</b>	<b>208,487.32</b>	<b>173,183.63</b>
Net Debt to Equity ratio*	-	4%

\* 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.

### B) Dividends

	March 31, 2021	March 31, 2020
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2020 ₹ Nil (March 31, 2019 - ₹ 2.50) per fully paid equity share	-	520.97
Interim dividend for the year ended March 31, 2021 of ₹ 18 (March 31, 2020 - ₹ 20) per fully paid equity share	3,757.41	4,172.34
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended payment of a final dividend of ₹ 22 per fully paid equity share (March 31, 2020 - ₹ Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,593.00	-

## 40 Related Party Transactions and Balances

### 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)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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

## III Enterprises where common control exists

- 1 Hinduja Group Limited
- 2 NXTDIGITAL Limited (Formerly known as Hinduja Ventures Limited)
- 3 Hinduja Healthcare Limited
- 4 Hinduja Realty Ventures Limited
- 5 Hinduja Energy (India) Ltd
- 6 Hinduja National Power Corporation Limited
- 7 IndusInd Media & Communication Ltd

## IV Enterprises where Significant Influence is exercised by Directors

- 1 Finac Services Limited (Upto September 3,2019)
- 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)
- 17 Kalzoom Advisors Private Limited
- 18 UActiv Technology Private Limited (Upto September 3, 2019)
- 19 Trunk Digital Studios LLC (Upto September 3, 2019)
- 20 GOCL Corporation Limited (From September 30, 2019)
- 21 IDL Explosives Limited (From September 30, 2019)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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)

Enlead consultants (Mr. Partha DeSarkar-Partner)

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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Rendering of Services</b>				
IndusInd Media and Communication Limited	-	-	48.19	49.36
Others	-	0.20	2.78	1.00
<b>Total</b>	<b>-</b>	<b>0.20</b>	<b>50.97</b>	<b>50.36</b>
<b>Interest income</b>				
Hinduja Group Limited	-	-	870.90	224.39
Hinduja Realty Ventures Limited	-	-	998.57	251.92
Hinduja Energy (India) Ltd	-	-	602.69	7.28
NXTDIGITAL Limited	-	-	17.34	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,489.50</b>	<b>483.59</b>
<b>Lease payments</b>				
Hinduja Group Limited	-	-	62.40	91.68
Hinduja Realty Ventures Limited	-	-	201.91	178.93
Satya A Hinduja	57.65	54.90	-	-
<b>Total</b>	<b>57.65</b>	<b>54.90</b>	<b>264.31</b>	<b>270.61</b>
<b>Link Connectivity Charges</b>				
IndusInd Media & Communications Ltd	-	-	2.75	2.75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.75</b>	<b>2.75</b>
<b>Legal &amp; Professional charges</b>				
Hinduja Group Limited	-	-	500.00	-
Global Talent Track Private Limited	-	-	1.56	-
Kalzoom Advisors Private Limited	-	-	4.97	-
Crawford Bayley & Co.	125.00	-	-	-
<b>Total</b>	<b>125.00</b>	<b>-</b>	<b>506.53</b>	<b>-</b>

# 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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Commission to Directors &amp; sitting fees</b>				
Commission to Directors	347.13	325.00	-	-
Sitting fees paid to Director's	60.50	106.00	-	-
<b>Total</b>	<b>407.63</b>	<b>431.00</b>	<b>-</b>	<b>-</b>
<b>Executive Remuneration*</b>				
Mr. Partha DeSarkar #	1,731.83	1,160.37	-	-
<b>Total</b>	<b>1,731.83</b>	<b>1,160.37</b>	<b>-</b>	<b>-</b>

**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 2020-21, dependent on satisfactory performance and subject to NRC approval for ₹ 428.54 lakhs, payable in FY 2021-22. Maximum deferred pay, subject to agreed targets being met and approved by the NRC, ₹ 993.72 Lakhs, payable in FY 2022-2023.

	Parties referred to in II and V above		Parties referred to in III and IV above	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Loans Given</b>				
Hinduja Group Limited			58,500.00	15,000.00
Hinduja Realty Ventures Limited			16,500.00	15,000.00
Hinduja Energy (India) Ltd			21,500.00	4,000.00
NXTDIGITAL Limited			9,950.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>106,450.00</b>	<b>34,000.00</b>
<b>Loans Repaid</b>				
Hinduja Group Limited			57,500.00	-
Hinduja Realty Ventures Limited			21,500.00	-
Hinduja Energy (India) Ltd			25,500.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>104,500.00</b>	<b>-</b>
<b>Advance paid to key managerial personnel towards travel</b>				
Mr. Partha DeSarkar	-	0.36	-	-
<b>Total</b>	<b>-</b>	<b>0.36</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>				
Hinduja Realty Ventures Limited	-	-	4.68	18.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4.68</b>	<b>18.72</b>
<b>Loans Receivable</b>				
Hinduja Group Limited	-	-	16,000.00	15,000.00
Hinduja Realty Ventures Limited	-	-	10,000.00	15,000.00
Hinduja Energy (India) Ltd	-	-	-	4,000.00
NXTDIGITAL Limited	-	-	9,950.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>35,950.00</b>	<b>34,000.00</b>
<b>Interest Receivable on Loans</b>				
Hinduja Group Limited	-	-	-	3.43
Hinduja Realty Ventures Limited	-	-	-	3.43
Hinduja Energy (India) Ltd	-	-	-	0.91



# 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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NXTDIGITAL Limited			17.34	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17.34</b>	<b>7.77</b>
<b>Security deposit</b>				
Hinduja Realty Ventures Limited	-	-	42.00	42.00
Satya A Hinduja	12.00	12.00	-	-
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>42.00</b>	<b>42.00</b>
<b>Receivable net of Payables as at year-end</b>				
NXTDIGITAL Limited [Refer footnote 1&2 of Note 31(A)]	-	-	1,868.99	1,868.99
Others	-	-	26.38	29.40
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,895.37</b>	<b>1,898.39</b>
<b>Payable net of Receivables as at year-end</b>				
Hinduja Group Limited	-	-	-	5.62
Global Talent Track Private Limited	-	-	1.56	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.56</b>	<b>5.62</b>

	Parties referred to in IV above April 1, 2019 to September 3 2019
<b>Rendering of Services</b>	
Atlantic International BPO Colombia S.A.S	90.89
<b>Total</b>	<b>90.89</b>
<b>Interest income</b>	
Atlantic International BPO Cayman Inc	182.41
<b>Total</b>	<b>182.41</b>
<b>Professional Fees</b>	
HBI Group Inc (Payment made to HBI Incorporated NV. till August 2018)	230.90
Hinduja Capital Advisors Inc	44.40
<b>Total</b>	<b>275.30</b>
<b>Lease payments</b>	
Mesilla Office Solutions LLC	127.88
<b>Total</b>	<b>127.88</b>
<b>Connectivity cost</b>	
Caytel Contracting Limited	1,084.53
<b>Total</b>	<b>1,084.53</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Parties referred to in IV above April 1, 2019 to September 3 2019
<b>Commission</b>	
HBI Group Inc (Payment made to HBI Incorporated NV. till August 2018)	1,465.92
Synergy Global outsourcing LLC	1,827.05
Hinduja Bank Switzerland Limited	18.13
<b>Total</b>	<b>3,311.10</b>
<b>Miscellaneous Expenses</b>	
HBI Group, Inc.	26.19
<b>Total</b>	<b>26.19</b>

**40a** During the year, 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 ₹ 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. Based on an external legal opinion obtained, the group has concluded that Hinduja Capital Limited is not a related party in accordance with Ind AS 24 - Related Party Disclosures.

## 41 Fair value measurements

### (a) Financial instruments by category

Particulars	March 31, 2021			March 31, 2020		
	FTVPL	FVTOCI	Amortised Cost	FTVPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
Investments						
- Treasury bills (Refer note 5)	-	-	482.11	-	-	1,032.12
Security deposits (Refer note 6 & 12)	-	-	5,059.27	-	-	5,641.48
Deposits with bank for Margin Money (Refer note 6)	-	-	92.78	-	-	110.11
Bank deposits with maturity exceeding 12 month (Refer note 6)	-	-	1,126.61	-	-	1,078.51
Trade receivables (Refer note 9)	-	-	123,054.02	-	-	98,932.85
Cash and cash equivalents (Refer note 10a)	-	-	53,003.81	-	-	53,082.43
Other Bank balances (Refer note 10b)	-	-	623.38	-	-	410.41
Interest accrued on deposits/ loans (Refer note 12)	-	-	160.45	-	-	180.95
Finance lease and Other receivables (Refer note 12)	-	-	1,771.70	-	-	404.00

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	FTVPL	FVTOCI	Amortised Cost	FTVPL	FVTOCI	Amortised Cost
Derivative financial assets designated in a hedge relationship (Refer note 6 & 12)	-	3,679.53	-	-	334.54	-
Loans to third parties (Refer note 11)	-	-	52,078.87	-	-	43,232.52
<b>Total Financial assets</b>	<b>-</b>	<b>3,679.53</b>	<b>237,453.00</b>	<b>-</b>	<b>334.54</b>	<b>204,105.38</b>
<b>Financial liabilities</b>						
Borrowings (Refer note 15)	-	-	39,358.45	-	-	60,422.38
Lease Liability (Refer note 16)	-	-	78,580.31	-	-	84,407.28
Deferred consideration payable (Refer note 17 & 20)	-	-	1,840.81	-	-	3,670.72
Trade payables (Refer note 19)	-	-	38,364.80	-	-	28,175.23
Derivative financial liabilities designated in a hedge relationship (Refer note 17 & 20)	-	1,223.28	-	-	7,076.74	-
Other financial liabilities (Refer note 21)	-	-	21,777.14	-	-	17,801.95
<b>Total Financial liabilities</b>	<b>-</b>	<b>1,223.28</b>	<b>179,921.51</b>	<b>-</b>	<b>7,076.74</b>	<b>194,477.56</b>

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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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, 2021	6&12	-	3,679.53	-	3,679.53
	March 31, 2020		-	334.54	-	334.54
Derivatives designated as hedges						
Foreign exchange forward contracts*	March 31, 2021	17&20	-	584.37	-	584.37
	March 31, 2020		-	6,013.47	-	6,013.47
Interest Rate Swap	March 31, 2021	17	-	638.91	-	638.91
	March 31, 2020		-	1,063.27	-	1,063.27

\* 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, credit risk and discount rate 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.

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 trade 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, party-wise and overall limits on the inter-corporate deposits and loans.
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) Interest rate risk	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Interest rate swap

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 including unbilled receivables, loans and intercorporate deposits, cash and cash equivalents and deposits with banks and financial institutions.

### i) Credit risk management:

Credit risk arises from the possibility that customers and borrowers may not be able to settle their obligations as agreed. A default on a financial asset arises when the counterparty fails to make contractual payments within agreed credit terms or when they fall due. 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 default experience by class of financial asset
- the credit rating and financial condition of borrowers
- 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 major exposure to the credit risk at the reporting date is primarily from:

- trade receivables and unbilled receivables amounting to ₹ 123,054.02 Lakhs (March 31, 2020 ₹ 98,932.85 Lakhs). Trade receivables are typically unsecured. The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. Accordingly, credit risk is managed through customer specific credit approvals, establishing credit limits and monitoring the creditworthiness of customers. In general, it is presumed that credit risk has significantly increased



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

since initial recognition if the payments are more than 120 days past due from agreed credit terms with customer. Historically, the company has not experienced any significant non-payment or write-offs and the provision made as at reporting date is considered to be adequate. During the year, the Company made write-offs of ₹ 60.12 Lakhs (March 31, 2020 ₹ 131.87 Lakhs) of trade receivables.

- b. Loans receivable and Intercompany deposits amounting to ₹ 52,078.87 Lakhs (March 31, 2020 ₹ 43,232.52 Lakhs). The loans and intercompany deposits are placed with parties approved by the Audit Committee subject to the party-wise and overall limits established by the Board of Directors. The loans and intercompany deposits are unsecured and are repayable on demand or March 31, 2022, whichever is earlier. The Company periodically assesses the credit rating and financial condition of the borrowers, historical experience of timely repayment, the current economic trends and other forward looking macroeconomic information.
- c. 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) Percentage of revenues generated from top customer and top five customers.

	March 31, 2021	March 31, 2020
Revenue from top customer	21.49%	18.90%
Revenue from top five customers	53.58%	48.30%

## B) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's corporate treasury department, overseen by senior management, is responsible for liquidity and funding as well as settlement management.

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 Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines. These limits vary by location to take into account the Liquidity of the market in which the entity operates.

The Group's liquidity management policy involves projecting cash flows in major currencies, considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. Management monitors rolling forecasts of the Group's net liquidity position on the basis of expected cash flows. The Group invests its surplus funds in loans and intercompany deposits with parties approved by the Board of Directors to generate better returns. These investments are subject to the party-wise and overall limits established by the Board of Directors. The limits are regularly assessed and determined based upon and analysis of the credit ratings and financial solvency reviews.

### i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Ageing	March 31, 2021	March 31, 2020
Expiring within one year (bank overdraft and other facilities)	42,233.90	21,071.51
<b>Total</b>	<b>42,233.90</b>	<b>21,071.51</b>

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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.

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, 2021	Within 1 year	between 1 to 2 years	between 2 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	20,224.40	11,122.45	8,011.59	-	39,358.45
Obligations under lease liability	12,122.27	12,201.07	30,927.97	23,329.00	78,580.31
Deferred consideration payable	1,840.81	-	-	-	1,840.81
Trade payables	38,364.80	-	-	-	38,364.80
Other financial liabilities	21,777.14	-	-	-	21,777.14
<b>Total non-derivative liabilities</b>	<b>94,329.42</b>	<b>23,323.52</b>	<b>38,939.56</b>	<b>23,329.00</b>	<b>179,921.51</b>
<b>Derivatives</b>					
Foreign exchange forward Contracts - net settled and Interest rate swap	825.00	143.93	254.35	-	1,223.28
<b>Total derivative liabilities</b>	<b>825.00</b>	<b>143.93</b>	<b>254.35</b>	<b>-</b>	<b>1,223.28</b>

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
<b>Non-derivatives</b>					
Borrowings	30,224.06	10,374.35	19,823.97	-	60,422.38
Obligations under lease liability	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
<b>Total non-derivative liabilities</b>	<b>89,709.45</b>	<b>23,164.51</b>	<b>51,468.91</b>	<b>30,134.69</b>	<b>194,477.56</b>
<b>Derivatives</b>					
Foreign exchange forward Contracts - net settled and Interest rate swap	3,029.78	2,371.00	1,675.96	-	7,076.74
<b>Total derivative liabilities</b>	<b>3,029.78</b>	<b>2,371.00</b>	<b>1,675.96</b>	<b>-</b>	<b>7,076.74</b>

## 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 highly probable forecast transactions (including inter-company 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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.

As the critical terms of the foreign exchange forward contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the foreign exchange forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The Group monitors the aforesaid critical terms on a quarterly basis to assess if the hedging relationship remains highly effect.

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.

## 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	March 31, 2021	March 31, 2020
<b>Financial assets</b>			
Trade receivables/ Inter- company balances	USD	83,400.56	74,451.76
	GBP	37.97	81.06
	SGD	2.71	2.64
	CAD	12.63	14.41
	AED	0.84	7.39
	EURO	59.77	-
Loans to Inter- company balances	USD	86,471.61	100,915.47
	GBP	6,372.30	5,673.00
	CAD	13,552.86	14,032.51
Loan to other entities in Foreign currency	USD	16,128.87	-
Bank balance in EEFC accounts	USD	10,073.16	3,450.13
	CAD	5,999.07	3,941.92
<b>Financial liabilities</b>			
Borrowings	USD	10,974.92	45,462.66
Lease Liability	USD	5,060.12	4,915.22
Loans from Inter- company balances	USD	44,244.62	3,999.25
Deferred consideration Payable	USD	1,840.81	3,670.72
Trade payable/ Inter- company balances	USD	12,841.11	8,175.51
	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 and Interest rate swap designated as cash flow hedges.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	Impact on profit after tax	
	March 31, 2021	March 31, 2020
<b>USD sensitivity</b>		
USD -Increase by 5% (March 31, 2020-5%)*	4,531.55	3,584.68
USD -Decrease by 5% (March 31, 2020-5%)*	(4,531.55)	(3,584.68)
<b>GBP sensitivity</b>		
GBP -Increase by 8% (March 31, 2020 - 8%)*	383.75	424.28
GBP -Decrease by 8% (March 31, 2020 - 8%)*	(383.75)	(424.28)
<b>CAD sensitivity</b>		
CAD -Increase by 4%(March 31, 2020-4%)*	585.62	468.14
CAD -Decrease by 4% (March 31, 2020-4%)*	(585.62)	(468.14)

Particulars	Impact of cash flow hedges in other comprehensive income (net of tax)	
	March 31, 2021	March 31, 2020
<b>USD sensitivity</b>		
USD - Increase by 5% (March 31, 2020 - 5%)*	(7,704.74)	(6,587.59)
USD - Decrease by 5% (March 31, 2020 - 5%)*	7,715.86	6,588.35

\* Holding all other variables constant

#### iv) Cash flow and fair value interest rate risk

The Groups' main interest rate risk arises from floating rate borrowings, including various revolving and other lines of credit which expose the Group to cash flow interest rate risk. The Groups' 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. The Group's investments are primarily in short-term loans and deposits, which do not expose it to significant interest rate risk.

##### (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, 2021	March 31, 2020
Variable rate borrowings*	22,868.93	37,395.03
<b>Total borrowings</b>	<b>22,868.93</b>	<b>37,395.03</b>

\* The borrowings hedged against a derivative instrument are not included for interest rate exposure.

##### (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, 2021	March 31, 2020
Interest rates — increase by 70 basis points (70 bps)*	(210.92)	(261.85)
Interest rates — decrease by 70 basis points (70 bps)*	210.92	261.85

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Impact of cash flow hedges in other comprehensive income (net of tax)	
	March 31, 2021	March 31, 2020
Interest rates — increase by 70 basis points (March 31, 2020 -70 bps)*	94.39	149.74
Interest rates — decrease by 70 basis points (March 31, 2020 -70 bps)*	(40.34)	(94.19)

\* 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.

As the critical terms of the hedging instruments and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the hedging instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates/interest rates. The Group monitors the aforesaid critical terms on a quarterly basis to assess if the hedging relationship remains highly effective.

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. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Company's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

### March 31, 2021

Types of hedge and risks	Foreign Currency Notional Amount (USD Mn)	Carrying amount of hedging instrument		Maximum 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				
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
Foreign exchange forward contracts							
Sell USD, buy INR	183.01	3,542.32	(41.33)	March, 2024	1:1	3,500.99	(3,500.99)
Sell USD, buy PHP	107.50	137.21	(543.04)	March, 2022	1:1	(405.83)	405.83
<b>Interest rate risk</b>							
Interest rate swap	22.13	-	(638.91)	February, 2024 and September, 2023		(638.91)	638.91
Hedge of net investment in foreign operations	15.00	-	330.21	-	-	330.21	(330.21)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

March 31, 2020

Types of hedge and risks	Foreign Currency Notional Amount (USD Mn)	Carrying amount of hedging instrument		Maximum 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				
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
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)
<b>Interest rate risk</b>							
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

\* 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, 2021

Type of hedge	Change in the value of hedging instrument recognised in Other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	11,755.35	-	(3,653.34)	Revenue
Interest rate risk	638.91	-	457.53	Finance Cost
Net investment in foreign operations	330.21	-	-	Foreign currency translation reserve

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

March 31, 2020

Type of hedge	Change in the value of hedging instrument recognised in Other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	(4,308.06)	-	(3,605.32)	Revenue
Interest rate risk	(713.87)	-	134.91	Finance cost
Net investment in foreign operations	(1,217.24)	-	-	Foreign currency translation reserve

## 43 Interests in other entities

### Subsidiaries

The Group's subsidiaries at March 31, 2021 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.

Name of Entity	Place of Business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		%	%	%	%
HGS International	Mauritius	100	100	-	-
Hinduja Global Solutions Inc.	United States of America	100	100	-	-
HGS Properties LLC		100	100	-	-
HGS Canada Holdings LLC		100	100	-	-
HGS Colibrium LLC		100	100	-	-
HGS Healthcare LLC		100	100	-	-
HGS EBOS LLC		100	100	-	-
HGS (USA), LLC		100	100	-	-
HGS Digital, LLC (Formerly known as Element Solutions LLC) (Refer c below)		100	71.33	-	28.67
HGS Axis Point Health LLC		100	100	-	-
HGS Canada Inc.	Canada	100	100	-	-
Affina Company, Canada		100	100	-	-
C-Cubed B.V.	Netherlands	100	100	-	-
C-Cubed N.V.	Curacao	100	100	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Customer Contact Centre Inc.(Refer b below)	Philippines	100	100	-	-
Hinduja Global Solutions Europe Limited	United Kingdom	100	100	-	-
Hinduja Global Solutions UK Limited		100	100	-	-
HGS France, S.A.R.L(Refer a below)	France	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		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).
- The Company acquired the remaining 28.67% stake from the non-controlling shareholders for a total consideration of ₹ 5,220.94 Lakhs. An amount of ₹ 3,380.13 has been paid during the year and an amount of ₹ 1,840.81 lakhs is payable by June, 2021 (Refer Note 20). Accordingly, the Non-Controlling Interests of ₹ 1,235.78 has been re-classified to Equity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 44 Segment reporting

The Group's board of directors along with its 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.

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, 2021	Year ended March 31, 2020*
USA and Canada	469,263.36	427,385.26
India	24,119.65	49,463.50
Europe	51,966.55	31,911.30
Rest of the world	13,542.27	14,776.48
<b>Total</b>	<b>558,891.83</b>	<b>523,536.54</b>

Revenue from major customers	Year ended March 31, 2021	Year ended March 31, 2020*
Revenue from five major customers (more than 10% of total revenue)	299,454.24	252,868.15
Others	259,437.59	270,668.39
<b>Total</b>	<b>558,891.83</b>	<b>523,536.54</b>

\* Above revenues are including both Continuing and Discontinued operations.

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 Non-current asset held for sale and Discontinued operations

### i) Assets held for sale

On November 12, 2020 the board resolved to dispose of the HGS International immovable properties and negotiations with several interested parties have subsequently taken place. These assets were leased to Hinduja Global Solutions UK Limited and the lease agreement was terminated on March 31, 2021. These assets, which are expected to be sold within 12 months, have been classified as assets held for sale and presented separately in the balance sheet. The proceeds of disposal of assets are expected to substantially exceed the carrying amount of the assets and accordingly no impairment losses have been recognised on the classification of these assets as held for sale.

Details of assets classified as held for sale is as under:

Particulars	Carrying amount as at March 31, 2021
Land	964.07
Building	4,238.66
<b>Total</b>	<b>5,202.73</b>

### ii) 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 were 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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
<b>Gain on sale before Income tax</b>	<b>965.78</b>
Income tax expense	255.13
<b>Gain on sale after Income tax</b>	<b>710.65</b>

c) Carrying amount of assets and liabilities on the date of transfer is as follows:

	As of January 31, 2020
<b>Non-Current Assets</b>	
Property, Plant and equipment	2,564.78
<b>Other Current Asset</b>	
Employee advances	1.92
<b>Current Liabilities</b>	
Gratuity	(344.94)
Employee related liability	(65.34)
<b>Net Assets disposed of</b>	<b>2,156.42</b>

d) Analysis of profit for the year and cash flows from discontinued operations

	Year ended March 31, 2020
Revenue from operations	23,920.39
Other Income	2,980.85
<b>Total income</b>	<b>26,901.24</b>
Employee benefit expense	16,406.76
Finance cost	891.42
Depreciation and amortisation expense	3,871.09
Other Expenses	3,508.59
<b>Total expenses</b>	<b>24,677.86</b>
Profit before tax (I)	2,223.38
Income Tax expense (II)	
a) Current tax	132.34
b) Deferred tax	644.51
<b>Total Income Tax expenses</b>	<b>776.85</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Year ended March 31, 2020
Gain on disposal of domestic business (III)	965.78
Income Tax expense (IV)	255.13
<b>Profit before tax from discontinued operations (I) + (III)</b>	<b>3,189.16</b>
<b>Income tax expense of discontinued operations (II) + (IV)</b>	<b>1,031.98</b>
<b>Profit after tax from discontinued operations (attributable to the owners of the Group)</b>	<b>2,157.18</b>

	Year ended March 31, 2020
<b>Cash flows from discontinued operations</b>	
Net cash flows from operating activities	10,167.34
Net cash flows from investing activities	2,987.69
Net cash flows from financing activities	(2,301.69)
<b>Net cash inflows</b>	<b>10,853.34</b>

## 46 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	March 31, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	437.09	534.25
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.95	-
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	-	-
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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 47 Leases (Group as a lessee)

The Group leases several assets including buildings, furnitures and equipments. The average lease term is 6.59 years. ( March 31, 2020 - 6.62 years)

Right-of-use assets (both continued and discontinued operations)	Building	Computers	Furniture & Fixtures	Office Equipment	Total
<u>Net carrying amount</u>					
March 31, 2020	76,284.33	212.27	260.83	1,222.37	77,979.80
March 31, 2021	68,696.67	105.51	149.72	930.50	69,882.40
<u>Depreciation expense for the year ended</u>					
March 31, 2020	14,797.23	49.33	122.26	342.49	15,311.31
March 31, 2021	14,166.35	119.77	119.80	345.87	14,751.79

Amounts recognised in statement of profit and loss	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense on right-of-use assets	14,751.79	15,311.31
Interest expense on lease liabilities	6,293.48	6,927.01
Expense relating to short-term leases	2,834.75	3,533.08
(Gain)/ Loss on termination of leases	(865.34)	(2,642.87)
Expense relating to leases of low value assets	-	-
Rent waiver impact on profit and loss due to lease payments	(278.99)	-

Lease liabilities	March 31, 2021	March 31, 2020
Non Current	66,458.04	72,914.37
Current	12,122.27	11,492.91
<b>Total</b>	<b>78,580.31</b>	<b>84,407.28</b>

### Maturity analysis of Lease payments and short term & low value leases

Particulars	March 31, 2021	March 31, 2020
Not later than 1 year	18,146.65	17,529.70
Later than 1 year and not later than 5 years	55,503.57	58,147.89
Later than 5 years	26,928.27	35,627.76

The Group has entered into a new office premises lease arrangement as on March 31, 2021. The lease term is yet to commence as on the reporting date.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the treasury function.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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
<b>Parent</b>								
<b>Hinduja Global Solutions Limited</b>								
March 31, 2021	91%	190,512.85	62%	20,736.83	98%	5,257.36	67%	25,994.19
March 31, 2020	97%	168,211.72	125%	25,172.48	495%	(3,106.71)	113%	22,065.77
<b>Subsidiaries Foreign</b>								
<b>HGS International</b>								
March 31, 2021	56%	117,789.11	1%	349.39	0%	-	1%	349.39
March 31, 2020	68%	118,030.60	-1%	(262.43)	0%	-	-1%	(262.43)
<b>Hinduja Global Solutions Inc.</b>								
March 31, 2021	-25%	(51,444.18)	-9%	(2,859.09)	2%	113.14	-7%	(2,745.95)
March 31, 2020	-14%	(52,208.55)	-47%	(9,518.66)	21%	(130.50)	-49%	(9,649.16)
<b>C-Cubed N.V.</b>								
March 31, 2021	0%	28.29	0%	(4.88)	0%	-	0%	(4.88)
March 31, 2020	0%	33.51	0%	(1.07)	0%	-	0%	(1.07)
<b>HGS St.Lucia Limited</b>								
March 31, 2021	0%	(17.39)	0%	-	0%	-	0%	-
March 31, 2020	0%	(17.92)	0%	-	0%	-	0%	-
<b>Hinduja Global Solutions Europe Limited</b>								
March 31, 2021	2%	4,270.86	-2%	(715.04)	0%	-	-2%	(715.04)
March 31, 2020	3%	5,285.23	0%	60.95	0%	-	0%	60.95
<b>HGS Properties LLC</b>								
March 31, 2021	4%	8,174.18	3%	930.75	0%	-	2%	930.75
March 31, 2020	4%	7,093.01	4%	784.69	0%	-	4%	784.69
<b>HGS EBOS LLC</b>								
March 31, 2021	2%	5,019.99	7%	2,353.83	0%	-	6%	2,353.83
March 31, 2020	1%	1,596.14	20%	3,959.41	0%	-	20%	3,959.41
<b>HGS(USA)LLC</b>								
March 31, 2021	27%	56,198.58	19%	6,246.11	0%	-	16%	6,246.11
March 31, 2020	30%	52,310.88	11%	2,186.87	0%	-	11%	2,186.87
<b>HGS Canada Holdings LLC</b>								
March 31, 2021	12%	24,774.03	0%	-	0%	-	0%	-
March 31, 2020	15%	25,519.43	0%	-	0%	-	0%	-

# 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
<b>HGS Canada Inc.</b>								
March 31, 2021	-12%	(25,255.22)	3%	851.52	0%	-	0%	851.52
March 31, 2020	-13%	(23,255.51)	-2%	(321.86)	0%	-	0%	(321.86)
<b>HGS Health Care LLC</b>								
March 31, 2021	14%	29,557.65	15%	5,177.13	0%	-	13%	5,177.13
March 31, 2020	14%	24,499.18	43%	8,688.08	0%	-	44%	8,688.08
<b>Affina Company</b>								
March 31, 2021	-1%	(2,772.12)	0%	-	0%	-	0%	-
March 31, 2020	-1%	(2,270.86)	0%	-	0%	-	0%	-
<b>Hinduja Global Solutions UK Limited</b>								
March 31, 2021	22%	44,925.28	-1%	(333.36)	0%	-	-1%	(333.36)
March 31, 2020	26%	45,509.98	11%	2,150.25	0%	-	11%	2,150.25
<b>HGS France S.A.R.L.</b>								
March 31, 2021	0%	(2.48)	2%	711.76	0%	-	2%	711.76
March 31, 2020	0%	(683.71)	0%	(9.73)	0%	-	0%	(9.73)
<b>C-Cubed B.V.</b>								
March 31, 2021	-2%	(3,206.07)	0%	(161.35)	0%	-	0%	(161.35)
March 31, 2020	-2%	(3,164.53)	-1%	(155.77)	0%	-	-1%	(155.77)
<b>Customer Contact Center Inc.</b>								
March 31, 2021	2%	3,344.44	0%	(166.41)	0%	-	0%	(166.41)
March 31, 2020	2%	3,448.89	-1%	(125.66)	0%	-	-1%	(125.66)
<b>Team HGS Limited</b>								
March 31, 2021	4%	7,939.93	17%	5,678.48	0%	-	15%	5,678.48
March 31, 2020	2%	3,178.67	5%	1,029.79	0%	-	5%	1,029.79
<b>Hinduja Global Solutions Mena FZ LLC</b>								
March 31, 2021	-3%	(5,668.50)	-1%	(225.26)	0%	-	-1%	(225.26)
March 31, 2020	-3%	(5,610.03)	-1%	(147.17)	0%	-	-1%	(147.17)
<b>HGS Colibrium LLC</b>								
March 31, 2021	5%	10,185.53	-5%	(1,620.96)	0%	-	-4%	(1,620.96)
March 31, 2020	7%	12,139.96	-16%	(3,189.20)	0%	-	-16%	(3,189.20)
<b>HGS Axis Health LLC</b>								
March 31, 2021	-11%	(23,135.62)	-17%	(5,600.72)	0%	-	-14%	(5,600.72)
March 31, 2020	-10%	(17,980.86)	-49%	(9,817.32)	0%	-	-50%	(9,817.32)

# 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
<b>Falcon Health Solutions Puerto Rico Holding LLC</b>								
March 31, 2021	0%	-	0%	-	0%	-	0%	-
March 31, 2020	0%	-	0%	-	0%	-	0%	-
<b>Falcon Health Solutions Puerto Rico LLC</b>								
March 31, 2021	0%	440.17	0%	(120.97)	0%	-	0%	(120.97)
March 31, 2020	0%	576.40	-5%	(1,033.09)	0%	-	-5%	(1,033.09)
<b>HGS Digital, LLC (Formerly known as Element Solutions LLC)</b>								
March 31, 2021	3%	6,373.09	7%	2,226.97	0%	-	6%	2,226.97
March 31, 2020	2%	4,310.35	6%	1,280.07	0%	-	7%	1,280.07
<b>Less: Consolidation, Elimination and GAAP Adjustments</b>								
March 31, 2021	-91%	(189,545.08)	0%	150.42	0%	21.12	0%	171.54
March 31, 2020	-127%	(192,132.56)	-1%	(169.31)	-430%	2,700.57	13%	2,531.26
<b>Less: Non-controlling interest</b>								
March 31, 2021		-		-		-		-
March 31, 2020		1,235.78		367.00		90.68		457.68
<b>Grand Total</b>								
March 31, 2021		208,487.32		33,605.15		5,391.62		38,996.77
March 31, 2020		173,183.64		20,194.32		(627.32)		19,567.00

- 49 Exceptional items of ₹ 1,522.72 lakhs for the year ended March 31, 2021 represents additional provision made towards the change in fair value of contingent consideration payable to the sellers of HGS Digital LLC (formerly Element Solutions LLC) for the acquisition of the remaining stake. 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. (Refer note 43c)

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 : Kolar

Narendra Singh

Company Secretary

Place : Mumbai

Place : Bengaluru

Date : June 18, 2021

Date : June 18, 2021

# AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

### To THE MEMBERS OF HINDUJA GLOBAL SOLUTIONS LIMITED

#### Report on the Audit of the Standalone 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, 2021, 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, 2021 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.

##### 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.



# AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition and measurement in respect of unbilled receivables as at March 31, 2021</b></p> <p>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.</p> <p>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 measurement of unbilled receivables as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to management's estimation of unbilled receivables included, among others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We have tested samples of unbilled receivables as at March 31, 2021 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.</li> <li>• 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 receivables. We have also determined whether adjustments, if any, are necessary upon receipt of approvals from customers for services delivered prior to March 31, 2021 and / or collections against those.</li> <li>• We have verified the ageing of unbilled receivables recognised to evaluate their reasonableness.</li> <li>• 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.</li> </ul>

# AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Accounting and disclosure of intercorporate deposits to the related parties (as described in note 12 and 39)</b></p> <p>As described in note 12 and note 39, the Company has given intercorporate deposits to certain parties, including related parties.</p> <p>Accounting and disclosure of such transactions have been identified as a key audit matter due to significance of the such transactions, and risk associated with recoverability and, risk of such transactions not getting disclosed in the financial statements.</p>	<p><b>Audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained and read the Company's policies, and procedures in respect of identification of related parties, obtaining approval for intercorporate deposit related transactions, recording and disclosure of related party transactions.</li> <li>• Tested such related party transactions and balances with the underlying contracts, promissory note, direct confirmation letters, and other supporting documents provided by the Company.</li> <li>• Inspected the Board and audit committee minutes providing an unanimous approval of all directors present in the meeting approving the investment of surplus funds of the Company in the unsecured intercorporate deposits to related parties including the promoter shareholders, the terms thereof, degree of credit risk associated with the respective borrowers, the purpose and business rationale for giving intercorporate deposits, and the arms' length interest rates considered.</li> <li>• Verified that the intercorporate deposits granted are within the permissible limits specified in the Companies Act, 2013.</li> <li>• Inspected the Company Secretary's assessment and conclusion that there exists no conflict of interest of the independent directors of the Company approving these intercorporate deposits.</li> <li>• Tested the repayment and fresh disbursement of the intercorporate deposits during the year with the bank statements</li> <li>• Verified the classification of the intercorporate deposits as current assets considering these being granted for meeting the short term working capital requirements of the borrowers in the ordinary course of business and the terms of the intercorporate deposits being repayable on demand.</li> <li>• Inspected management's and audit committee's evaluation of recoverability by reference to the audited or unaudited financial statements as applicable of the respective borrowers.</li> <li>• Reviewed the disclosures in the financial statements to assess whether the disclosure is in accordance with Ind AS 24 Related Party Disclosure and under the Companies Act, 2013.</li> </ul>

# AUDITOR'S REPORT

## 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 not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- 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.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone 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 Responsibility for the Audit of the Standalone 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.

# AUDITOR'S REPORT

- 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 89,984.42 lakhs as at March 31, 2021 and total revenue of Rs 99,666.54 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:

# AUDITOR'S REPORT

- 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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. 060408)  
UDIN: 21060408AAAABT5843

Place : Bengaluru  
Date : June 18, 2021

# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

## (Referred to in paragraph 1(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, 2021 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



# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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.

## **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, 2021, 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. 060408)  
UDIN: 21060408AAAABT5843

Place : Bengaluru  
Date : June 18, 2021

# ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S 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:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) 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.
  - (c) 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, 2021 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: (Update ones when the conclusion is reached)
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Excise duty, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except for the below mentioned Provident fund 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 July 2020	41.94	41.94	Employee Aadhaar number is not available

# ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

- (c) There are no dues of Income-tax, Sales tax, Service tax, Goods and Service tax, Customs Duty, Excise duty and Value Added as on March 31, 2021 on account of disputes except for the below mentioned professional tax amounts.

Name of Statue	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Maharashtra Tax on Professions, Traders, Callings and Employment Act 1975	Professional Tax	FY 2016-2017	Commissioner of State tax Appeals	4.37	3.27

- (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. Further, the Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the 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: 21060408AAAABT5843

Place : Bengaluru  
Date : June 18, 2021

# STANDALONE BALANCE SHEET

(All amounts are in Rupees Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	2	19,456.57	21,074.21
b) Right of use assets	3	56,486.77	63,057.55
c) Capital work-in-progress	2	320.99	2.00
d) Intangible assets	4a	4,061.13	3,786.03
e) Goodwill	4b	2,504.26	2,504.26
f) Financial assets			
(i) Investments	5a	38,880.28	39,358.11
(ii) Loans	6	29,266.44	30,147.00
(iii) Other financial assets	7	5,386.56	4,336.16
g) Deferred tax assets (net)	36	4,163.64	8,058.73
h) Income tax assets (net)	8a	7,782.02	7,194.17
i) Other non-current assets	9	2,093.11	2,091.00
<b>Total non-current assets</b>		<b>170,401.77</b>	<b>181,609.22</b>
<b>Current assets</b>			
a) Financial assets			
(i) Investments	5b	482.11	554.29
(ii) Trade receivables	10	82,848.58	79,842.53
(iii) Cash and cash equivalents	11a	15,789.97	8,502.34
(iv) Bank balances other than (iii) above	11b	400.43	174.09
(v) Loans	12	35,950.00	34,000.00
(vi) Other financial assets	13	4,447.39	1,313.28
b) Other current assets	14	7,247.79	4,502.50
<b>Total current assets</b>		<b>147,166.27</b>	<b>128,889.03</b>
<b>Total assets</b>		<b>317,568.04</b>	<b>310,498.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	15	2,087.73	2,086.59
b) Other equity		188,425.12	166,125.13
<b>Total equity</b>		<b>190,512.85</b>	<b>168,211.72</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	16a	7,316.61	11,305.12
(ii) Lease liabilities	17a	54,506.32	59,567.90
(iii) Other non-current financial liabilities	18	191.89	3,677.82
b) Provisions	19	18,029.20	12,317.43
<b>Total non-current liabilities</b>		<b>80,044.02</b>	<b>86,868.27</b>
<b>Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	16b	-	8,420.77
(ii) Lease liabilities	17b	8,417.03	7,757.30
(iii) Trade payables	20	13,526.68	14,858.03
(iv) Other financial liabilities	21	16,003.91	16,486.38
b) Provisions	22	3,772.38	3,217.95
c) Current tax liabilities(net)	8b	2,135.45	1,714.68
d) Other current liabilities	23	3,155.72	2,963.15
<b>Total current liabilities</b>		<b>47,011.17</b>	<b>55,418.26</b>
<b>Total liabilities</b>		<b>127,055.19</b>	<b>142,286.53</b>
<b>Total equity and liabilities</b>		<b>317,568.04</b>	<b>310,498.25</b>

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

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Kolar

Narendra Singh

Company Secretary

Place : Mumbai

Place : Bengaluru  
Date : June 18, 2021

Date : June 18, 2021

# STANDALONE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in Rupees Lakhs, except per share data)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Continuing Operations</b>			
I Revenue from operations	24	236,291.82	214,218.95
II Other income	25	5,520.29	8,607.55
III <b>Total income (I+II)</b>		<b>241,812.11</b>	<b>222,826.50</b>
<b>IV Expenses</b>			
a) Employee benefit expenses	26	149,248.27	137,905.24
b) Finance costs	27	6,148.98	5,781.03
c) Depreciation and amortization expenses	28	18,728.03	17,672.19
d) Other Expenses	29	35,391.45	30,666.40
<b>Total expenses</b>		<b>209,516.73</b>	<b>192,024.86</b>
V <b>Profit before tax</b>		<b>32,295.38</b>	<b>30,801.64</b>
<b>VI Income tax expense</b>			
a) Current tax	35	10,842.50	10,316.49
b) Deferred tax (credit) / charge	36	553.54	(2,144.85)
c) Current tax relating to prior years	35	162.51	(385.30)
<b>Total tax expense</b>		<b>11,558.55</b>	<b>7,786.34</b>
VII <b>Profit for the year from continuing operations</b>		<b>20,736.83</b>	<b>23,015.30</b>
<b>VIII Discontinued Operations</b>			
(a) Profit before tax from discontinued operations	44	-	3,189.16
(b) Tax expense of discontinued operations	44	-	1,031.98
IX <b>Profit after tax from discontinued operations [(a)-(b)]</b>		<b>-</b>	<b>2,157.18</b>
X <b>Profit for the period [VII+IX]</b>		<b>20,736.83</b>	<b>25,172.48</b>
<b>XI Other comprehensive income</b>			
<b>A. Items that will not be reclassified to statement of profit and loss</b>			
a) Remeasurements of defined benefit plans			
- Continuing Operations		(1,069.36)	(882.04)
- Discontinued operations		-	(36.72)
b) Income tax on above item	36	(346.62)	210.02
<b>Net other comprehensive income not to be reclassified to profit and loss in subsequent periods (both continuing and discontinued operations) (A)</b>		<b>(1,415.98)</b>	<b>(708.74)</b>
<b>B. Items that may be reclassified to statement of profit and loss</b>			
a) Effective Portion of designated portion of hedging instruments in a cash flow hedge		9,035.71	(8,294.51)
b) Income tax on above item		(3,001.16)	2,966.25
c) Exchange differences in translating the financial statements of foreign operation		494.92	3,324.01
d) Current tax on above item		143.87	(393.72)
<b>Net other comprehensive income may be reclassified to profit or loss in subsequent periods (B)</b>		<b>6,673.34</b>	<b>(2,397.97)</b>
XII <b>Other comprehensive income for the period, net of taxes [A+B]</b>		<b>5,257.36</b>	<b>(3,106.71)</b>
XIII <b>Total comprehensive income for the period (both continuing and discontinued operations)</b>		<b>25,994.19</b>	<b>22,065.77</b>
<b>XIV Earning per equity share (both continuing and discontinued operations)</b>			
<b>[nominal value per share ₹ 10/- each]</b>			
Basic ( in ₹ )	32	99.35	120.72
Diluted ( in ₹ )	32	99.24	120.66
<b>Earning per equity share (continuing operations)</b>			
<b>[nominal value per share ₹ 10/- each]</b>			
Basic ( in ₹ )		99.35	110.38
Diluted ( in ₹ )		99.24	110.32
<b>Earning per equity share (discontinued operations)</b>			
<b>[nominal value per share ₹ 10/- each]</b>			
Basic ( in ₹ )		-	10.34
Diluted ( in ₹ )		-	10.34

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

Partha DeSarkar

Executive Director

DIN: 00761144

Place : Kolar

Narendra Singh

Company Secretary

Place : Mumbai

Place : Bengaluru  
Date : June 18, 2021

Date : June 18, 2021

# STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts are in Rupees Lakhs)

## A. Equity Share Capital

	Notes	Amount
<b>Balance as at April 1, 2019</b>		<b>2,083.89</b>
Changes in equity share capital during the year	15	2.70
<b>Balance as at March 31, 2020</b>		<b>2,086.59</b>
Changes in equity share capital during the year	15	1.14
<b>Balance as at March 31, 2021</b>		<b>2,087.73</b>

## B. Other Equity

	Reserves and Surplus							Other comprehensive income				Total
	Capital reserve	Capital reserve on merger	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	Re-measurements of defined benefit plans		
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 ₹. 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	
Profit for the year	-	-	-	-	20,736.83	-	-	-	-	-	20,736.83	
Total Other Comprehensive Income	-	-	-	-	-	-	-	638.79	-	-	638.79	
Total	1,437.95	(1,341.15)	1,255.81	53,897.61	138,871.90	-	56.47	2,058.81	(4,041.44)	(4,695.21)	187,500.75	
Transaction with owners in their capacity as owners:												
Additions/ Adjustment during the year	-	-	-	-	-	-	9.48	-	6,034.55	(1,415.98)	4,628.05	
Employee stock options (Refer note 30)	-	-	53.73	-	-	-	-	-	-	-	53.73	
Dividends paid (Refer note 38B)	-	-	-	-	(3,757.41)	-	-	-	-	-	(3,757.41)	
As at March 31, 2021	1,437.95	(1,341.15)	1,309.54	53,897.61	135,114.49	-	65.95	2,058.81	1,993.11	(6,111.19)	188,425.12	



# 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

	As at	
	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	(6,373.06)	1,921.44
Changes in fair value of effective portion of derivatives	12,407.85	(4,749.16)
Net (gain)/loss reclassified to statement of profit and loss on occurrence of hedged transactions	(3,372.13)	(3,545.34)
<b>Balance as at the end of the year</b>	<b>2,662.64</b>	<b>(6,373.06)</b>
Deferred tax thereon	(669.53)	2,331.62
<b>Balance as at the end of the year, net of deferred tax</b>	<b>1,993.11</b>	<b>(4,041.44)</b>

## Nature and purpose of reserves

### Capital Reserve

Capital reserve amounting to ₹38.83 lakhs and ₹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 ₹ (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)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flow from Operating Activities</b>		
Profit before tax		
- Continuing operations	32,295.38	30,801.64
- Discontinued operations	-	3,189.16
<b>Profit before tax</b>	<b>32,295.38</b>	<b>33,990.80</b>
<b>Adjustments for:</b>		
Depreciation and amortization expenses	18,728.03	21,543.28
Employee share-based payment expense	9.48	(20.58)
Allowance for bad and doubtful debts/ advances	189.68	152.76
Loss on disposal of property, plant and equipment and Write-off	37.75	(38.67)
Liabilities/ Provision no longer required written-back	(256.35)	(0.91)
Unwinding of discount on security deposits	(564.64)	(1,879.02)
Gain on sale of domestic business	-	(965.78)
Interest income classified as investing cash flows	(3,518.26)	(1,745.22)
Gain on termination of leases	(671.44)	(2,592.86)
Finance costs	6,148.98	6,672.45
Bad debts	5.43	117.95
Net exchange differences	1,540.00	(3,213.42)
<b>Change in operating assets and liabilities:</b>		
Decrease/ (Increase) in trade receivables	(4,530.81)	5,009.11
Decrease/ (Increase) in other financial assets	153.88	1,875.47
Decrease/ (Increase) in other non-current assets	(45.45)	40.53
Decrease/ (Increase) in other current assets	(2,971.63)	396.64
Increase/ (Decrease) in trade payables	(1,021.66)	473.39
Increase/ (Decrease) in other financial liabilities	1,908.00	(2,145.45)
Increase/ (Decrease) in provisions	5,196.84	4,578.95
Increase/ (Decrease) in other liabilities	192.57	180.89
<b>Cash generated from operations</b>	<b>52,825.78</b>	<b>62,430.31</b>
Income taxes paid	(11,028.22)	(10,996.17)
<b>Net cash inflow from operating activities</b>	<b>41,797.56</b>	<b>51,434.14</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of business	-	3,591.74
Payments for property, plant and equipment	(6,437.44)	(6,489.79)
Payments for purchase of investments	-	(1,913.18)
Proceeds from sale of investments	550.01	2,334.07
Proceeds from sale of property, plant and equipment	98.35	492.38
Payments incidental to sale of domestic business	-	(288.00)
Loans repaid/ assigned	104,500.00	-
Loans given	(106,450.00)	(34,000.00)
Interest received	3,089.50	1,738.46
<b>Net cash outflow from investing activities</b>	<b>(4,649.58)</b>	<b>(34,534.32)</b>

# STANDALONE CASH FLOW STATEMENT

(All amounts are in Rupees Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	54.87	105.95
Proceeds from borrowings	56,993.80	22,336.57
Repayment of borrowings	(69,133.76)	(16,719.31)
Repayment of Lease liability	(7,995.81)	(8,015.56)
Interest paid	(6,166.34)	(6,663.11)
Dividends paid (including dividend tax)	(3,749.99)	(5,659.40)
<b>Net cash outflow from financing activities</b>	<b>(29,997.23)</b>	<b>(14,614.86)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>7,150.75</b>	<b>2,284.96</b>
Cash and cash equivalents at the beginning of the financial year (Refer note 11(a))	8,502.34	5,554.56
Effects of exchange rate changes on cash and cash equivalents	136.88	662.82
<b>Cash and cash equivalents at end of the year</b>	<b>15,789.97</b>	<b>8,502.34</b>
<b>Balances per statement of cash flows (Refer note 11 (a))</b>	<b>15,789.97</b>	<b>8,502.34</b>

Reconciliation of borrowings as disclosed in financing activities and Note 16 & 17 to the financial statements:

Particulars	As at April 1, 2020	Cash Changes		Non Cash Changes				As at March 31, 2021
		Repayment	Proceeds	Rent Concession	Net additions to Lease liabilities	Exchange difference/ FCTR	Others*	
External commercial borrowings	15,132.92	(3,778.62)	-	-	-	(379.39)	42.07	11,016.98
Bank Overdrafts	8,420.77	(65,414.57)	56,993.80	-	-	-	-	-
Lease liabilities	67,325.20	(7,995.81)	-	(137.84)	3,197.34	534.46	-	62,923.35

Particulars	As at April 1, 2019	Cash Changes		Non Cash Changes				As at March 31, 2020
		Repayment	Proceeds	IND AS 116 Adoption	Net additions to Lease liabilities	Exchange difference/ FCTR	Others*	
External commercial borrowings	13,906.35	(50.10)	-	-	-	1,217.24	59.43	15,132.92
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	(229.72)	-	67,325.20

\* 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

For and on behalf of the Board of Directors of Hinduja Global Solutions Limited

Anil Harish

Director

DIN: 00001685

Place : Mumbai

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Place : Mumbai

Place : Bengaluru  
Date : June 18, 2021

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# 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 June 18, 2021.

### 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:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans - plan assets/ liability 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) 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

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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.

## 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

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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.

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.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## (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.

## 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. 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.

### D. 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.

### E. 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 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.

## **F. 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19 by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as or less than the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

The Company has benefited from a 12 month waiver of lease payments on buildings in India. The waiver of lease payments of ₹. 137.84 lakhs has been accounted for as a negative variable lease payment in profit or loss.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 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.

## **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 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.

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## 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.

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



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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 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 ₹ 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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:

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.
- b. The Company has introduced a deferred performance incentive plan during the previous 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:

- (a) defined benefit plans such as gratuity and Pension;
- (b) defined contribution plans such as provident fund.

### 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## (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.

## 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:

- a. the profit attributable to owners of the Company
- b. 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:

- a. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b. 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

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

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.

## **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.

## **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**

### **Amendment to Ind AS 103- Business combination**

The Ministry of Corporate Affairs ("MCA") has 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 did not have any impact on the financial statements of the Company.

### **Amendment to Ind AS 109 and Ind AS 107 – Interest Rate Benchmark Reform**

The MCA amended 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 and Ind AS 107 did not have any significant material impact on the financial statements of the Company.

### **Amendment to Ind AS 1 and Ind AS 8 – Definition of Material**

The 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 Ind AS Standards. 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 based on those

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 MCA amended other Standards 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.

## **Amendment to Ind AS 116 – Leases**

The 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 June 30, 2021 and also require disclosure of the amount recognised 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.

## **zb New Accounting standards not yet adopted by the Company**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

## **New Amendments not yet adopted by the Company**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendment on the standalone financial statements.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 2 Property, Plant and Equipment

Particulars	Land	Buildings	Leasehold Building	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Leasehold Improvements	Total	Capital work-in-progress
<b>Year ended March 31, 2020</b>										
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*	-	-	-	(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*	-	-	-	(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
<b>Year ended March 31, 2021</b>										
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
Additions	-	-	-	21.05	49.33	39.43	4,061.10	121.62	4,292.53	345.84
Effect of Foreign currency differences	-	-	-	34.67	6.73	32.51	406.91	165.08	645.90	(3.85)
Disposals	-	-	-	(161.90)	(52.14)	(92.25)	(469.09)	(779.00)	(1,554.38)	(23.00)
Gross carrying amount	100.97	2,476.51	-	1,893.61	378.69	336.10	24,524.96	8,483.59	38,194.43	320.99
Accumulated depreciation	-	231.85	-	468.49	265.79	(631.33)	10,048.04	3,353.33	13,736.17	-
Depreciation (Refer note below)	-	46.60	-	337.41	63.88	718.09	4,051.81	711.33	5,929.12	-
Effect of Foreign currency differences	-	-	-	18.61	5.15	20.88	285.90	160.45	490.99	-
Disposals	-	-	-	(136.40)	(46.45)	(89.38)	(418.48)	(727.71)	(1,418.42)	-
Accumulated depreciation	-	278.45	-	688.11	288.37	18.26	13,967.27	3,497.40	18,737.86	-
Net carrying amount as at March 31, 2021	100.97	2,198.06	-	1,205.50	90.32	317.84	10,557.69	4,986.19	19,456.57	320.99

\* Refer note 44 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations ( Refer note 28)	5,929.12	6,271.33
Discontinued Operations (Refer Note 44)	-	1,233.22
<b>Total</b>	<b>5,929.12</b>	<b>7,504.55</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 3. Right of use assets

Particulars	Category of Right of use assets			Total
	Building	Furniture & Fixtures	Office equipments	
<b>Year ended March 31, 2020</b>				
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
<b>Total carrying amount as at April 1, 2019</b>	<b>58,316.45</b>	<b>203.52</b>	<b>1,116.78</b>	<b>59,636.75</b>
Additions	25,136.47	-	612.43	25,748.90
Disposals*	(19,897.55)	-	-	(19,897.55)
Effect of Foreign currency differences	3,307.18	-	1.91	3,309.09
<b>Gross carrying amount</b>	<b>66,862.55</b>	<b>203.52</b>	<b>1,731.12</b>	<b>68,797.19</b>
<b>Accumulated depreciation</b>				
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*	(6,869.51)	-	-	(6,869.51)
Lease modification	(131.70)	-	-	(131.70)
Effect of Foreign currency differences	186.79	-	0.15	186.94
<b>Accumulated depreciation</b>	<b>5,169.73</b>	<b>61.16</b>	<b>508.75</b>	<b>5,739.64</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>61,692.82</b>	<b>142.36</b>	<b>1,222.37</b>	<b>63,057.55</b>
<b>Total carrying amount as at April 1, 2020</b>	<b>66,862.55</b>	<b>203.52</b>	<b>1,731.12</b>	<b>68,797.19</b>
Additions	7,322.10	-	53.79	7,375.89
Disposals	(10,205.07)	-	-	(10,205.07)
Effect of Foreign currency differences	497.33	-	0.22	497.55
<b>Gross carrying amount</b>	<b>64,476.91</b>	<b>203.52</b>	<b>1,785.13</b>	<b>66,465.56</b>
<b>Accumulated depreciation</b>	<b>5,169.73</b>	<b>61.16</b>	<b>508.75</b>	<b>5,739.64</b>
Depreciation (Refer note below)	10,817.48	60.99	345.87	11,224.34
Disposals	(6,995.69)	-	-	(6,995.69)
Lease modification	-	-	-	-
Effect of Foreign currency differences	10.49	-	0.01	10.50
<b>Accumulated depreciation</b>	<b>9,002.01</b>	<b>122.15</b>	<b>854.63</b>	<b>9,978.79</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>55,474.90</b>	<b>81.37</b>	<b>930.50</b>	<b>56,486.77</b>

\* Refer note 44 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Depreciation	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations ( Refer note 28)	11,224.34	9,810.31
Discontinued Operations (Refer Note 44)	-	2,419.93
<b>Total</b>	<b>11,224.34</b>	<b>12,230.24</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 4a Intangible Assets

Particulars	Computer Software
<b><u>Year ended March 31, 2020</u></b>	
<b>Gross carrying amount</b>	<b>10,867.32</b>
Effect of Foreign currency differences	1,098.82
Additions	1,851.61
Disposals*	(2,245.22)
<b>Gross Carrying amount</b>	<b>11,572.53</b>
<b>Accumulated amortisation</b>	<b>6,488.35</b>
Amortisation	1,808.50
Effect of Foreign currency differences	791.59
Disposals*	(1,301.94)
<b>Accumulated depreciation</b>	<b>7,786.50</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>3,786.03</b>
<b><u>Year ended March 31, 2021</u></b>	
<b>Gross carrying amount</b>	<b>11,572.53</b>
Effect of Foreign currency differences	173.76
Additions	1,803.58
Disposals	(119.47)
<b>Gross Carrying amount</b>	<b>13,430.40</b>
<b>Accumulated amortisation</b>	<b>7,786.50</b>
Amortisation	1,574.57
Effect of Foreign currency differences	127.53
Disposals	(119.33)
<b>Accumulated depreciation</b>	<b>9,369.27</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>4,061.13</b>

\* Refer note 44 for details on disposal of India Domestic Customer Relationship Management (CRM) business.

Amortisation	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations (Refer note 28)	1,574.57	1,590.55
Discontinued Operations (Refer Note 44)	-	217.95
<b>Total</b>	<b>1,574.57</b>	<b>1,808.50</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 4b Goodwill

Particulars	Good Will
<b>Year ended March 31, 2020</b>	
Gross carrying amount	2,504.26
Additions	-
Gross carrying amount	2,504.26
Net carrying amount as at March 31, 2020	2,504.26
<b>Year ended March 31, 2021</b>	
Gross carrying amount	2,504.26
Additions	-
Gross carrying amount	2,504.26
Net carrying amount as at March 31, 2021	2,504.26

## 5 Investments

Particulars		Face Value Per Share/ Unit	As at March 31, 2021		As at March 31, 2020	
			Quantity No's	Amount (₹ in Lakhs)	Quantity No's	Amount (₹ in Lakhs)
<b>5a Non-current Investments</b>						
(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 (Quoted):						
Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]				-		477.83
<b>Aggregate Value of Investments</b>				<b>38,880.28</b>		<b>39,358.11</b>
<b>5b Current Investment</b>						
Others (Quoted):						
Treasury Bills (At Philippines branch) [Deposited with Securities and Exchange Commission in Philippines]				482.11		554.29
<b>Aggregate Value of quoted Investments and market value thereof</b>				<b>482.11</b>		<b>554.29</b>
<b>Total non-current investments</b>						
Aggregate value of quoted Investments and market value thereof				482.11		1,032.12
Aggregate value of unquoted investments				38,880.28		38,880.28
Aggregate amount of impairment in the value of investments				-		-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## Terms of Treasury bill

	Name of Bank	ISIN	Maturity Date	Rate of Interest	Face Value in' PHP as on March 31,2021 (PHP. in Lakhs)	Face Value in' INR as on March 31,2021 (₹ in Lakhs)
1	UBP - Standard Chartered Bank	PIID0321F092	June 13, 2021	4.88%	319.85	482.11
<b>Total</b>					<b>319.85</b>	<b>482.11</b>

These investments carry a fixed rate of interest and it is maturing through June 13, 2021.

## 6 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Loans to related parties (Refer note 39)*	29,266.44	30,147.00
<b>Total</b>	<b>29,266.44</b>	<b>30,147.00</b>

\* 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 non- current financial asset

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	3,845.57	4,226.05
Deposits with bank for Margin Money*	92.78	110.11
Derivatives - Foreign Exchange Forward Contracts (Refer note 42)	1,448.21	-
<b>Total</b>	<b>5,386.56</b>	<b>4,336.16</b>

\* Under lien with bank towards guarantees issued by them on behalf of the company.

## 8a Income Tax Assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax and tax deducted at source	53,238.70	42,868.27
Less: Provision for Income tax	45,456.68	35,674.10
<b>Total</b>	<b>7,782.02</b>	<b>7,194.17</b>

## 8b Current tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income tax	12,095.35	10,523.26
Less: Advance tax & tax deducted at source	9,959.90	8,808.58
<b>Total</b>	<b>2,135.45</b>	<b>1,714.68</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 9 Other non current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	11.74	55.08
Receivable from related party ( Refer note 31)	1,868.99	1,868.99
Balances with government authorities	141.85	133.13
Prepaid expenses	69.30	32.57
Others	1.23	1.23
<b>Total</b>	<b>2,093.11</b>	<b>2,091.00</b>

## 10 Trade receivable

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	58,923.66	63,376.35
Unsecured, Unbilled Receivables	23,924.92	16,466.18
Considered doubtful	213.64	182.50
Less: Allowance for doubtful debts	(213.64)	(182.50)
<b>Total</b>	<b>82,848.58</b>	<b>79,842.53</b>
Current portion	82,848.58	79,842.53
Non-current portion	-	-

## 11a Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
in current accounts	4,748.18	3,988.70
in Exchange Earners Foreign Currency Account (EEFC) accounts	7,333.70	211.51
in Term deposits	3,000.63	3,956.43
in Cash credit accounts	694.92	316.64
Cheques on hand	-	19.19
Cash on hand	12.54	9.87
<b>Total</b>	<b>15,789.97</b>	<b>8,502.34</b>

Balances with banks in current account and EEFC account does not carry any interest. Short-term deposits are made for varying periods between one day to 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 11a above

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked Balances with Banks:		
Unpaid dividend	41.25	33.83
Unpaid bonus	1.82	1.82
In Term deposits	357.36	138.44
<b>Total</b>	<b>400.43</b>	<b>174.09</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 12 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good (Refer note 39)</b>		
Loan to related parties in functional currency		
Opening balance	34,000.00	-
Loans given during the year	106,450.00	34,000.00
Loans repaid	(104,500.00)	-
<b>Closing Balance</b>	<b>35,950.00</b>	<b>34,000.00</b>

The loans were given to respective parties as disclosed in Note 39 for their working capital needs and general corporate purpose. 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 7.45% to 7.95% ( March 31, 2020 – 8.30% to 8.40%) .

## 13 Other current financial asset

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	405.58	520.71
Interest accrued on deposits/ loans	477.63	48.87
Derivatives - Foreign Exchange Forward Contracts (Refer note42)	2,231.32	334.54
Other receivables	1,414.48	507.87
Less : Provision for Other receivables	(81.62)	(98.71)
<b>Total</b>	<b>4,447.39</b>	<b>1,313.28</b>

## 14 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured and considered good, unless otherwise stated</b>		
Balances with Government Authorities	3,309.05	921.50
Advance to employees		
Good	367.26	468.81
Doubtful	9.43	9.43
	376.69	478.24
Less: Allowance for doubtful Advances	(9.43)	(9.43)
	367.26	468.81
Advance to Vendors	1,405.38	729.08
Prepaid Expenses	2,162.95	2,380.83
Others	3.15	2.28
<b>Total</b>	<b>7,247.79</b>	<b>4,502.50</b>

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 15 Equity Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorized Share capital:</b>		
27,500,000 (March 31, 2020: 27,500,000) equity shares of ₹ 10/- each	2,750.00	2,750.00
150,000 (March 31, 2020: 150,000) 1% Participatory redeemable Non cumulative preference shares of ₹ 10/- each	15.00	15.00
<b>Total</b>	<b>2,765.00</b>	<b>2,765.00</b>
<b>Issued, subscribed and Paid up :</b>		
20,877,255 (March 31, 2020: 20,865,933 ) equity shares of ₹ 10/- each fully paid	2,087.73	2,086.59
<b>Total</b>	<b>2,087.73</b>	<b>2,086.59</b>

### (i) Movements in equity share capital

Particulars	No. of shares	Equity share Capital (par value)
<b>As at March 31, 2019</b>	<b>20,838,944</b>	<b>2,083.89</b>
Shares issued to Employees under Employee Stock Option Plan (Refer note 30)	26,989	2.70
<b>As at March 31, 2020</b>	<b>20,865,933</b>	<b>2,086.59</b>
Shares issued to Employees under Employee Stock Option Plan (Refer note 30)	11,322	1.14
<b>As at March 31, 2021</b>	<b>20,877,255</b>	<b>2,087.73</b>

### Terms and 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 their shareholding.

### Number of shares reserved for issue under the Employee Stock Option Plan (Refer note 30)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Hinduja Global Solutions Limited Employee Stock Option Plan 2008	34,400	37,500
ii) Hinduja Global Solutions Limited Employee Stock Option Plan 2011	9,422	21,530

### (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, 2021		As at March 31, 2020	
	Number of Shares	% held	Number of Shares	% held
Hinduja Group Limited	6,858,541	32.85%	5,818,541	27.89%
Hinduja Group Limited jointly with Hinduja Realty Ventures Limited	2,314,490	11.09%	3,354,490	16.08%
Amas Mauritius Limited	2,761,427	13.23%	2,761,427	13.23%

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 16 Borrowings

Particulars	Maturity date	Terms of repayment	Interest rate	As at March 31, 2021	As at March 31, 2020
<b>a. Borrowings - non-current</b>					
<b>Secured</b>					
Foreign Currency Term Loans from Banks *	February, 2024	Quarterly instalments w. e.f. May,2020	3 Months LIBOR+1.05%	11,016.98	15,132.92
<b>Total borrowings</b>				<b>11,016.98</b>	<b>15,132.92</b>
Less: Current maturities of long-term debt (included in note 21)				3,658.30	3,768.37
Less: Interest accrued (included in note 21)				42.07	59.43
<b>Non-current borrowings</b>				<b>7,316.61</b>	<b>11,305.12</b>
<b>b. Borrowings - current</b>					
<b>Secured</b>					
Bank Overdrafts **	Payable on demand	Payable on demand	1 to 6 Months Bank MCLR + Spread, as applicable	-	8,420.77
<b>Total Current borrowings</b>				<b>-</b>	<b>8,420.77</b>
Less: Interest accrued				-	-
<b>Current borrowings</b>				<b>-</b>	<b>8,420.77</b>
Aggregate Secured loans				10,974.91	23,494.26
Aggregate Unsecured loans				-	-

### Secured borrowings and assets pledged as security

\* Secured by exclusive charge on Land & Building and also secured by first exclusive charge on entire moveable fixed assets of the Company (both present and future).

\*\* Secured by first paripassu charge on entire current assets of the company both present and future.

## 17 Lease Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Lease Liabilities - non-current</b>		
Total lease liabilities	62,923.35	67,325.20
Less: Current Maturities of Lease Obligations	(8,417.03)	(7,757.30)
	<b>54,506.32</b>	<b>59,567.90</b>
<b>b. Lease Liabilities - current</b>		
	8,417.03	7,757.30
	<b>8,417.03</b>	<b>7,757.30</b>
<b>Total</b>	<b>62,923.35</b>	<b>67,325.20</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 18 Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Derivatives - foreign exchange forward contracts & interest rate swap (Refer note 42)	191.89	3,677.82
<b>Total</b>	<b>191.89</b>	<b>3,677.82</b>

## 19 Non current - provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Pension (Refer note 37)	9,982.16	8,203.75
Gratuity (Refer note 37)	2,414.21	2,292.46
Deferred compensation Payable(Refer note 37)	5,632.83	1,821.22
<b>Total</b>	<b>18,029.20</b>	<b>12,317.43</b>

## 20 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
i. Total outstanding dues of micro enterprises and small enterprises (Refer note 45)	437.09	534.25
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	13,089.59	14,323.78
<b>Total</b>	<b>13,526.68</b>	<b>14,858.03</b>

## 21 Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term Debt	3,658.30	3,768.37
Interest accrued	42.07	59.43
Capital creditors	2,184.14	2,249.82
Unpaid dividend [Refer note (a) below]	41.25	33.83
Derivatives - foreign exchange forward contracts (Refer note 42)	825.00	3,029.78
Employee benefits payable	9,253.15	7,345.15
<b>Total</b>	<b>16,003.91</b>	<b>16,486.38</b>

- 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

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated absences (Refer note 37)	3,772.38	3,217.95
<b>Total</b>	<b>3,772.38</b>	<b>3,217.95</b>

## 23 Other Current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	128.00	98.62
Statutory dues payable	2,671.24	2,533.42
Other payables	356.48	331.11
<b>Total</b>	<b>3,155.72</b>	<b>2,963.15</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 24 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of services</b>		
Business Process Management	236,291.82	214,218.95
<b>Total</b>	<b>236,291.82</b>	<b>214,218.95</b>

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, 2021	Year ended March 31, 2020
USA and Canada	202,842.28	183,355.63
India	24,314.79	47,992.78
UK & Europe	6,494.60	2,246.31
Rest of the world	2,640.15	5,510.40
<b>Total revenue from contracts with customers*</b>	<b>236,291.82</b>	<b>239,105.12</b>

Contract type/ nature of contract	Year ended March 31, 2021	Year ended March 31, 2020
Business Process Management	236,291.82	239,105.12

Category of customer	Year ended March 31, 2021	Year ended March 31, 2020
Health Insurance, Pharma & Healthcare	184,236.73	164,975.36
Telecom and Technology	3,946.07	13,265.94
Consumer Electronics, Products, Services and Retail	9,451.67	9,767.07
Banking and Financial Services	28,756.71	36,862.05
Media	1,110.57	1,109.97
Others	8,790.07	13,124.73
<b>Total revenue from contracts with customers*</b>	<b>236,291.82</b>	<b>239,105.12</b>

\* Above revenues are including both Continuing and discontinued operations.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 25 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on financial assets carried at amortised cost	3,518.26	1,745.16
Unwinding of discount on security deposits	564.64	588.41
Foreign exchange gain (net)	(3,431.95)	3,979.90
Income from sale of export scrips	3,777.04	885.71
Income from discontinuation of leases	671.44	1,029.08
Profit on Sale of property, plant and equipment	33.21	37.72
Provision for Doubtful debts no longer required written-back	256.35	0.91
Miscellaneous income	131.30	340.66
<b>Total</b>	<b>5,520.29</b>	<b>8,607.55</b>

## 26 Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	138,056.17	127,006.57
Contribution to provident and other funds (Refer note 37 (iv))	8,240.74	7,448.19
Gratuity and Pension expense (Refer note 37 (v))	2,084.06	1,659.25
Staff welfare expenses	867.30	1,791.23
<b>Total</b>	<b>149,248.27</b>	<b>137,905.24</b>

## 27 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on		
Term loans from bank	513.13	512.51
Cash credit and others	236.99	62.17
Interest expense on leases	5,339.76	5,108.90
Other borrowing costs	59.10	97.45
<b>Total</b>	<b>6,148.98</b>	<b>5,781.03</b>

## 28 Depreciation and Amortization expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment ( Refer Note 2)	5,929.12	6,271.33
Depreciation on Right of use assets ( Refer Note 3)	11,224.34	9,810.31
Amortization of intangibles ( Refer Note 4)	1,574.57	1,590.55
<b>Total</b>	<b>18,728.03</b>	<b>17,672.19</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 29 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	2,590.36	3,660.89
Rent	986.89	1,256.79
Repairs and maintenance - leased Premises	2,495.97	2,646.29
Repairs and maintenance - others	4,166.33	3,524.77
Insurance	378.38	306.36
Rates and taxes	589.28	569.87
Directors' sitting fees and Commission(Refer note 39)	407.63	431.00
Payment to the auditors:		
- As auditors [including payment to Branch Auditors ₹ 33.35 lakhs (Previous Year ₹ 34.54 lakhs)]	185.35	162.50
- For other services [including payment to Branch Auditors (Previous Year ₹ Nil)]	60.51	-
- For reimbursement of expenses	10.88	13.74
Connectivity cost	2,295.11	1,962.39
Advertisement and business promotion	30.71	269.93
Communication	2,655.28	969.28
Travelling, conveyance and car hire charges	3,435.55	2,108.08
Legal and professional	6,965.03	5,749.59
Training and recruitment	1,311.47	1,352.99
Commission	-	6.83
Donations	2.58	9.73
Software expenses	1,466.93	1,087.48
Membership and Subscription	1,657.86	1,545.55
Corporate social responsibility (Refer note 29a)	481.00	435.00
Bad debts/ advances written off	5.43	113.95
Allowance for bad and doubtful debts/ advances	189.68	98.33
Security expenses	1,393.16	2,298.48
Fixed Assets Written Off	70.96	13.37
Miscellaneous expenses	1,559.12	73.21
<b>Total</b>	<b>35,391.45</b>	<b>30,666.40</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 29a Corporate Social Responsibility (CSR)

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spent by the Company during the year	448.00	435.00
<b>Total</b>	<b>448.00</b>	<b>435.00</b>

	In Cash*	In Cash*
Amount spent during the year	March 31, 2021	March 31, 2020
a. On various activities (Refer note below)	481.00	435.00
<b>Total</b>	<b>481.00</b>	<b>435.00</b>

\* 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	40.00
The Akshaya Patra Foundation	Nutrition & Education	50.00
Hinduja Foundation	Contribution to Disaster Relief (Covid-19) & Healthcare service	283.00
Step Up For India	Grant English programme in Government schools	10.00
Yuva Unstoppable	Grant evolution programme	20.00
Samarthanam Trust for the Disabled	Grant implementing Samarthanam livelihood Programme	28.00
Jaldhaara Foundation	Grant Providing safe drinking water to Government School	25.00
Learning Links Foundation	Grant Road to school programme	25.00
<b>Total</b>		<b>481.00</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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.
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	₹ 551.93 per share	₹ 534.40 - ₹ 726.38 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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

Particulars	March 31, 2021		March 31, 2020	
	Average exercise Price Per share (₹)	Number of Options	Average exercise Price Per share (₹)	Number of Options
Opening balance	555.32	37,500	514.97	42,456
Granted during the year	-	-	592.05	30,000
Lapsed during the year	536.95	(1,135)	514.97	(15,648)
Exercised during the year	551.93	(1,965)	595.49	(19,308)
<b>Closing Balance</b>		<b>34,400</b>		<b>37,500</b>
Vested and exercisable		9,400		5,300

## ESOP 2011

Particulars	March 31, 2021		March 31, 2020	
	Average exercise Price Per share (₹)	Number of Options	Average exercise Price Per share (₹)	Number of Options
Opening balance	514.97	21,530	544.28	43,376
Granted during the year	665.05	5,000	-	-
Lapsed during the year	514.97	(7,751)	544.28	(14,165)
Exercised during the year	630.35	(9,357)	601.79	(7,681)
<b>Closing Balance</b>		<b>9,422</b>		<b>21,530</b>
Vested and exercisable		4,422		19,880

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2021 - ESOP 2008: ₹ 551.93 and ESOP 2011: ₹ 612.37. (Year ended March 31, 2020 - ESOP 2008: ₹ 598.99 and ESOP 2011: ₹ 587.72)

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, 2021)	Share options (March 31, 2020)
April 21, 2017	ESOP 2008	April 21, 2021	565.05	4,400	5,000
August 10, 2017	ESOP 2008	August 10, 2021	508.85	-	2,500
August 5, 2019	ESOP 2008	August 5, 2023	592.05	30,000	30,000
November 6, 2015	ESOP 2011	November 6, 2020	471.00	-	11,080
April 21, 2017	ESOP 2011	April 21, 2022	565.05	4,422	7,950
August 10, 2017	ESOP 2011	August 10, 2022	508.85	-	2,500
November 3, 2020	ESOP 2011	November 3, 2025	665.05	5,000	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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, 2021)	Remaining life (months)	Share options (March 31, 2020)
April 21, 2017	ESOP 2008	April 21, 2021	1	4,400	12	5,000
August 10, 2017	ESOP 2008	August 10, 2021	-	-	16	2,500
August 5, 2019	ESOP 2008	August 5, 2023	28	30,000	39	30,000
November 6, 2015	ESOP 2011	November 6, 2020	-	-	7	11,080
April 21, 2017	ESOP 2011	April 21, 2022	13	4,422	24	7,950
August 10, 2017	ESOP 2011	August 10, 2022	-	-	28	2,500
November 3, 2020	ESOP 2011	November 3, 2025	54	5,000	-	-

## (i) Fair value of options granted

The fair value of options granted during the year ended March 31, 2021 is ₹ 208.07 (March 31, 2020 ₹ 177.36). 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 2011	November 3, 2020	208.07

The model inputs for options granted during the year ended March 31, 2021 included:

		ESOP 2008 scheme		ESOP 2011 scheme	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
i)	Exercise price	-	592.05	665.05	-
ii)	Grant date	-	August 5, 2019	November 3, 2020	-
iii)	Expiry date	-	August 5, 2023	November 3, 2025	-
iv)	Share price at grant date	-	595.00	674.05	-
v)	Expected price volatility	-	33.09%	40.66%	-
vi)	Expected dividend yield	-	0.38%	0.92%	-
vii)	Risk free interest rate	-	6.01%	4.70%	-

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 recognized in profit or loss as part of employee benefit (Income)/expense were as follows:

Particulars	March 31, 2021	March 31, 2020
Employee share based payment expenses	12.86	15.85
Employee share based payment Income	(3.38)	(36.43)
<b>Total</b>	<b>9.48</b>	<b>(20.58)</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 31 Contingent Liabilities

### a) Contingent Liabilities

A) Claims against the Company not acknowledged as debts:

Particulars	March 31, 2021	March 31, 2020
<b>Income Tax demand</b>		
(i) Prior AY 2007-08 (Refer note 1 and 2 below)	16,446.27	16,274.87
(ii) From AY 2007-08 (Refer note 2 below)	10,377.44	10,045.66
(iii) Others (Refer note 3 below)	207.25	-

Notes:

1. 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 ₹ 16,446.27 Lakhs including interest ₹ 7,645.50 Lakhs (March 31, 2020 - ₹ 16,274.87 Lakhs, ₹ 7,475.38 Lakhs respectively).

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 including interest of ₹ Nil during the year (March 31, 2020- ₹ Nil including interest of ₹ Nil) and the net outstanding amount as at March 31, 2021 of ₹ 1,868.99 Lakhs (March 31, 2020 of ₹ 1,868.99 Lakhs) is included in "Receivable from related party - Note 9".

2. The Company has received Income Tax Demand orders for the A.Y. (Assessment Year) 2007-08 to A.Y. 2011-12. 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 ₹ 10,377.44 Lakhs including interest ₹ 1,926.87 Lakhs (March 31, 2020 - ₹ 10,045.66 Lakhs, ₹ 1,902.73 Lakhs respectively).

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.

3. The Company branch in Philippines has tax benefit under PEZA (Income tax holiday). The benefit is granted subject to fulfilment of certain terms & conditions. PEZA has raised an objection on investment condition criteria along with demand. The Company is confident about fulfilment of criteria upon relaxation of COVID situation in the Philippines.

### b) Capital and other commitments:

- (i) Estimated Amount of Contracts (net of capital advances) remaining to be executed on capital account ₹ 1,120.72 Lakhs. (March 31, 2020: ₹ 1,486.59 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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- v. Hinduja Global Solutions Inc
- vi. C-Cubed N.V
- vii. HGS Canada Inc
- viii. HGS Axis Point Health LLC

There has been no payments during the year against these undertakings.

## 32 Earnings per share (EPS)

	March 31, 2021	March 31, 2020
<b>Numerator for Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company (₹ in Lakhs) (both continuing and discontinued operations)	20,736.83	25,172.48
Weighted average number of equity shares (Nos.) for calculating basic earnings per share	20,872,996	20,851,475
Number of equity shares (Nos.) for calculating diluted earnings per share	20,895,502	20,862,990
Basic EPS attributable to the equity holders of the Company (₹)	99.35	120.72
Diluted EPS attributable to the equity holders of the Company (₹)	99.24	120.66
Nominal value of shares (₹)	10.00	10.00
Number of shares consideration for basic EPS (Nos.)	20,872,996	20,851,475
Add: Shares deemed to be issued for no consideration in respect of Employee stock options (Nos.)	22,506	11,515
Number of shares considered for diluted EPS (Nos.)	20,895,502	20,862,990

## 33 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Notes	March 31, 2021	March 31, 2020
<b>Current</b>		
Financial Assets		
First Charge		
Current Assets	147,166.28	128,889.03
<b>Total current assets pledged as security</b>	<b>147,166.28</b>	<b>128,889.03</b>
<b>Non-Current</b>		
Exclusive charge		
Land	100.97	100.97
Building	2,198.06	2,244.66
Movable fixed assets (Refer note below)	12,171.38	13,106.02
<b>Total non-current assets pledged as security</b>	<b>14,470.41</b>	<b>15,451.65</b>
<b>Total assets pledged as security</b>	<b>161,636.69</b>	<b>144,340.68</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	Net carrying amount as at March 31, 2021	Net carrying amount as at March 31, 2020
Furniture and Fixtures (Refer note 2)	1,205.49	1,531.30
Vehicles (Refer note 2)	90.33	108.98
Office Equipment (Refer note 2)	317.84	987.74
Computers (Refer note 2)	10,557.72	10,478.00
<b>Total</b>	<b>12,171.38</b>	<b>13,106.02</b>

## 34 Impairment

**Goodwill movement:**

	March 31, 2021	March 31, 2020
<b>Opening Balance</b>	2,504.26	2,504.26
Add: Additions	-	-
<b>Closing Balance</b>	<b>2,504.26</b>	<b>2,504.26</b>

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.

The Company has single reportable segment and as at March 31, 2021 goodwill has been allocated to the single reportable segment:

	March 31, 2021	March 31, 2020
Business process management	2,504.26	2,504.26
<b>Total</b>	<b>2,504.26</b>	<b>2,504.26</b>

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 %)

	March 31, 2021	March 31, 2020
Growth rate	10%	9% to 10%
Pre-tax discount rate	16.13%	16.13% to 17.00%
Terminal growth rate	-	3.00%

Based on the above no impairment was identified as of March 31, 2021 and March 31, 2020 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 of any of the cash generating units to exceed the recoverable amount.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 35 Income tax expense

The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for Income tax for the year ended March 31, 2021 and re-measured its Deferred Tax basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss and other comprehensive income respectively.

### a) Income tax expense

	Year ended March 31, 2021			Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
<b>Current tax</b>						
Current tax on profits for the year	10,842.50	-	10,842.50	10,316.49	387.48	10,703.97
Adjustments for current tax of prior periods	162.51	-	162.51	(385.30)	-	(385.30)
<b>Total current tax expense</b>	<b>11,005.01</b>	<b>-</b>	<b>11,005.01</b>	<b>9,931.19</b>	<b>387.48</b>	<b>10,318.67</b>
<b>Deferred Tax</b>						
Decrease/ (Increase) in Deferred tax assets	553.54	-	553.54	(2,144.85)	644.50	(1,500.35)
<b>Total Deferred tax expense/ (benefit)</b>	<b>553.54</b>	<b>-</b>	<b>553.54</b>	<b>(2,144.85)</b>	<b>644.50</b>	<b>(1,500.35)</b>
<b>Income tax expense</b>	<b>11,558.55</b>	<b>-</b>	<b>11,558.55</b>	<b>7,786.34</b>	<b>1,031.98</b>	<b>8,818.32</b>

### b) Reconciliation of income tax expense and the accounting profit multiplied by the Indian statutory tax rate

	Year ended March 31, 2021			Year ended March 31, 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Profit before income tax expense	32,295.38	-	32,295.38	30,801.64	3,189.16	33,990.80
<b>Tax at Indian tax rate of 25.168% (2019-20 - 34.94%)</b>	<b>8,128.10</b>	<b>-</b>	<b>8,128.10</b>	<b>10,762.09</b>	<b>1,114.29</b>	<b>11,876.38</b>
Tax effects of amounts which are not deductible (taxable) in calculating taxable income						
- Expenses towards corporate social responsibility disallowed	121.71	-	121.71	75.99	-	75.99
- Sec 10AA exemption	-	-	-	(3,656.66)	-	(3,656.66)
Difference in overseas tax rate for foreign operation	1,597.53	-	1,597.53	1,953.40	-	1,953.40
Tax credit on profit earned by foreign operation	-	-	-	(938.89)	-	(938.89)
Impact on deferred tax due to tax rate change	1,471.75	-	1,471.75	-	-	-
Adjustments for current tax of prior periods	162.51	-	162.51	(385.30)	-	(385.30)
Difference in tax rate for profit on sale of Operations	-	-	-	-	(82.31)	(82.31)
Other adjustments	76.95	-	76.95	(24.29)	-	(24.29)
<b>Income Tax expense</b>	<b>11,558.55</b>	<b>-</b>	<b>11,558.55</b>	<b>7,786.34</b>	<b>1,031.98</b>	<b>8,818.32</b>
<b>Effective tax rate</b>	<b>36%</b>	<b>-</b>	<b>36%</b>	<b>25%</b>	<b>32%</b>	<b>26%</b>

# 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

	March 31, 2021	March 31, 2020
Property, plant and equipment including Intangible assets	14.65	173.83
Provision for compensated absences	643.53	697.74
Provision for gratuity/ pension	624.38	1,160.18
Leases	2,083.80	2,786.34
Deferred performance Incentive	1,176.85	546.53
Derivatives	(669.55)	2,331.62
Allowances for doubtful debts	53.77	63.77
Others	236.22	298.72
<b>Total Deferred Tax Assets</b>	<b>4,163.65</b>	<b>8,058.73</b>
<b>Net deferred tax assets/ (liabilities)</b>	<b>4,163.65</b>	<b>8,058.73</b>

Movement in Deferred Tax Assets/ Liabilities

	April 1, 2020	Credit/ (Charge) due to change in tax rate in statement of profit and loss	Credit/ (Charge) in the statement of profit and loss	Credit/ (Charge) due to change in tax rate in other comprehensive income	Credit/ (Charge) in the other comprehensive income	Effect of Foreign currency differences	March 31, 2021
Property, Plant & Equipment including Intangible assets	173.83	(141.52)	(17.66)	-	-	-	14.65
Provision for Gratuity / Pension	1,160.18	(207.18)	18.00	(362.26)	15.64	-	624.38
Provision for Compensated Absences	697.74	(179.21)	125.00	-	-	-	643.53
Derivatives	2,331.62	-	-	(656.45)	(2,344.72)	-	(669.55)
Allowance for Doubtful Debts	63.77	(17.83)	7.83	-	-	-	53.77
Leases	2,786.34	(763.76)	60.06	-	-	1.16	2,083.80
Deferred performance Incentive	546.53	(162.25)	792.57	-	-	-	1,176.85
Others	298.72	-	(67.59)	-	-	5.09	236.22
<b>Total</b>	<b>8,058.73</b>	<b>(1,471.75)</b>	<b>918.21</b>	<b>(1,018.71)</b>	<b>(2,329.08)</b>	<b>6.25</b>	<b>4,163.65</b>

	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
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
<b>Total</b>	<b>462.47</b>	<b>1,500.37</b>	<b>2,895.36</b>	<b>3,176.27</b>	<b>24.26</b>	<b>8,058.73</b>

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 37 Employee benefit obligations

### (i) Compensated Absences

The leave obligations cover the Company's liability for earned leaves of employees.

The amount of the provision of ₹ 3,772.38 Lakhs (As at March 31, 2020: ₹ 3,217.95 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 carries a provision of ₹ 5,632.83 lakhs as at March 31, 2021. (As at March 31, 2020: ₹1,821.22 lakhs)

### (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 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. 10 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:

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020*
Employers' Contribution to Provident Fund	3,836.14	4,606.92
Employers' Contribution to Superannuation Fund	3.00	3.83
Employers' Contribution to Employee's State Insurance	795.12	1,270.83
Employer's Contribution to Other Employees' contribution Scheme	3,606.48	2,951.01
<b>Total</b>	<b>8,240.74</b>	<b>8,832.59</b>

\* Above expenses are including both Continuing and discontinued operations.

## (v) Defined Benefit plan

### Balance sheet amounts - Pension plan

The amounts recognized 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
<b>April 1, 2019</b>	<b>6,397.60</b>	<b>(585.82)</b>	<b>5,811.78</b>
Current service cost	872.82	-	872.82
Net interest cost	393.03	(35.99)	357.04
<b>Total amount recognized in Statement of profit and loss</b>	<b>1,265.85</b>	<b>(35.99)</b>	<b>1,229.86</b>
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	5.02	5.02
- Actuarial (gain)/loss arising from change in demographic assumptions	-	-	-
- Actuarial (gain)/loss arising from change in financial assumptions	313.79	-	313.79
- Actuarial (gain)/loss arising from experience adjustments	51.17	-	51.17
<b>Total amount recognized in other comprehensive income</b>	<b>364.96</b>	<b>5.02</b>	<b>369.98</b>
Exchange differences (Recongnised 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	-	-	-
<b>March 31, 2020</b>	<b>8,575.07</b>	<b>(371.32)</b>	<b>8,203.75</b>



# 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
<b>April 1, 2020</b>	<b>8,575.07</b>	<b>(371.32)</b>	<b>8,203.75</b>
Current service cost	1,093.61	-	1,093.61
Net interest cost	435.31	(18.81)	416.50
<b>Total amount recognized in Statement of profit and loss</b>	<b>1,528.92</b>	<b>(18.81)</b>	<b>1,510.11</b>
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	2.05	2.05
- Actuarial (gain)/loss arising from change in demographic assumptions	-	-	-
- Actuarial (gain)/loss arising from change in financial assumptions	640.14	-	640.14
- Actuarial (gain)/loss arising from experience adjustments	371.79	-	371.79
<b>Total amount recognized in other comprehensive income</b>	<b>1,011.93</b>	<b>2.05</b>	<b>1,013.98</b>
Exchange differences (Recongnised in foreign currency translation reserve)	147.51	(5.96)	141.55
Contributions:			
- Employers	-	(887.23)	(887.23)
- Plan participants	-	-	-
Payments from plan:			
Benefit payments	(937.69)	937.69	-
Settlements	-	-	-
<b>March 31, 2021</b>	<b>10,325.74</b>	<b>(343.58)</b>	<b>9,982.16</b>

## Balance sheet amounts - Gratuity

The amounts recognized 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
<b>April 1, 2019</b>	<b>2,487.92</b>	<b>327.85</b>	<b>2,815.77</b>	<b>(1,135.89)</b>	<b>1,679.88</b>
Current Service Cost	345.85	40.29	386.14	-	386.14
Interest expense/(income)	155.53	21.84	177.37	(73.15)	104.22
<b>Total Amount recognized in Statement of profit and loss</b>	<b>501.38</b>	<b>62.13</b>	<b>563.51</b>	<b>(73.15)</b>	<b>490.36</b>
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
<b>Total amount recognized in other comprehensive income</b>	<b>416.73</b>	<b>71.59</b>	<b>488.32</b>	<b>60.47</b>	<b>548.79</b>
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	-
<b>March 31, 2020</b>	<b>2,746.76</b>	<b>422.81</b>	<b>3,169.57</b>	<b>(877.11)</b>	<b>2,292.46</b>

# 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
<b>April 1, 2020</b>	<b>2,746.76</b>	<b>422.81</b>	<b>3,169.57</b>	<b>(877.11)</b>	<b>2,292.46</b>
Transfer of liability from an Unfunded to Funded plan during the year	319.44	(319.44)	-	-	-
<b>Total as on April 1, 2020</b>	<b>3,066.20</b>	<b>103.37</b>	<b>3,169.57</b>	<b>(877.11)</b>	<b>2,292.46</b>
Current Service Cost	430.71	19.32	450.03	-	450.03
Past Service Cost	-	-	-	-	-
Interest expense/(income)	165.87	5.39	171.26	(47.34)	123.92
<b>Total Amount recognized in Statement of profit and loss</b>	<b>596.58</b>	<b>24.71</b>	<b>621.29</b>	<b>(47.34)</b>	<b>573.95</b>
Remeasurements					
- Return on plan assets, excluding amounts included in Interest expense/income	-	-	-	(0.86)	(0.86)
- Actuarial (gain)/loss arising from change in demographic assumptions	(64.69)	(19.37)	(84.06)	-	(84.06)
- Actuarial (gain)/loss arising from change in financial assumptions	62.40	1.07	63.47	-	63.47
- Actuarial (gain)/loss arising from Experience adjustments	51.71	25.12	76.83	-	76.83
<b>Total amount recognized in other comprehensive income</b>	<b>49.42</b>	<b>6.82</b>	<b>56.24</b>	<b>(0.86)</b>	<b>55.38</b>
Employer contributions	-	-	-	(489.69)	(489.69)
Liability Transferred Out/ Divestments	-	-	-	-	-
Benefit payments	(159.29)	(17.89)	(177.18)	159.29	(17.89)
<b>March 31, 2021</b>	<b>3,552.91</b>	<b>117.01</b>	<b>3,669.92</b>	<b>(1,255.71)</b>	<b>2,414.21</b>

The following table shows the breakdown of the defined benefit obligation and plan assets:

	March 31, 2021			March 31, 2020		
	Gratuity	Pension	Total	Gratuity	Pension	Total
Present Value of Obligation	3,669.92	10,325.74	13,995.66	3,169.57	8,575.07	11,744.64
Fair value of plan assets	(1,255.71)	(343.58)	(1,599.29)	(877.11)	(371.32)	(1,248.43)
<b>Total Liability</b>	<b>2,414.21</b>	<b>9,982.16</b>	<b>12,396.37</b>	<b>2,292.46</b>	<b>8,203.75</b>	<b>10,496.21</b>

## (vi) Actuarial assumptions pension and gratuity

The significant actuarial assumptions were as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Pension	Gratuity	Pension	Gratuity
Discount Rate	4.67%	3.86%-5.58%	4.96%	5.21%-5.45%
Salary growth rate	3.40%	4% - 8%	3.00%	4% - 6%
Rate of return on Plan assets	4.67%	3.86%-5.58%	4.96%	5.45%
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.	20% to 70%	8% to 37% p.a.	10% to 50%

Assumptions regarding mortality experience are set based on advice from published statistics.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 past experience of employee turnover. The expected return on plan assets is based on expectation of the average rate of return expected on investment of the fund.

## (vii) Sensivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

### Impact on defined benefit obligation

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount Rate	1%	1%	(1,049.63)	(747.83)	1,102.88	783.23
Salary Growth rate	1%	1%	1,104.78	798.36	(1,079.14)	(786.31)

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

	March 31, 2021			March 31, 2020		
	Level-1	Level-3	Total	Level-1	Level-3	Total
<b>Pension</b>						
Debt Instruments						
- Government Bonds	142.74	-	142.74	77.11	-	77.11
- Corporate Bonds	138.14	-	138.14	206.99	-	206.99
Cash and cash equivalents	61.56	-	61.56	85.33	-	85.33
Others	-	1.14	1.14	-	1.89	1.89
<b>Gratuity</b>						
Investment funds						
Insurance Funds (LIC Pension and Group Schemes fund)	-	1,255.71	1,255.71	-	877.11	877.11
<b>Total</b>	<b>342.44</b>	<b>1,256.85</b>	<b>1,599.29</b>	<b>369.43</b>	<b>879.00</b>	<b>1,248.43</b>

## (ix) Risk exposure

Through its defined benefit plans, the Company 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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 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 2020-21 (PY 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, 2022 is ₹ 1,564.06 lakhs [Gratuity ₹ 879.67 Lakhs; Pension ₹ 684.39 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
<b>March 31, 2021</b>					
Pension plan benefit obligation	684.39	772.10	3,276.37	48,878.08	<b>53,610.94</b>
Gratuity plan benefit obligation	879.67	637.56	1,326.71	1,599.49	<b>4,443.43</b>
<b>Total</b>	<b>1,564.06</b>	<b>1,409.66</b>	<b>4,603.08</b>	<b>50,477.57</b>	<b>58,054.37</b>
<b>March 31, 2020</b>					
Pension plan benefit obligation	1,012.13	602.80	2,267.25	39,152.28	<b>43,034.46</b>
Gratuity plan benefit obligation	359.58	363.54	772.24	2,594.53	<b>4,089.89</b>
<b>Total</b>	<b>1,371.71</b>	<b>966.34</b>	<b>3,039.49</b>	<b>41,746.81</b>	<b>47,124.35</b>

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:

	March 31, 2021	March 31, 2020
Total outstanding borrowings (Refer Note 16 & 21)	10,974.91	23,494.26
Cash and cash equivalents (Refer Note 11a)	(15,789.97)	(8,502.34)
<b>Net Debt</b>	<b>(4,815.06)</b>	<b>14,991.92</b>
<b>Total Equity</b>	<b>190,512.85</b>	<b>168,211.72</b>
Net Debt to Equity ratio*	-	8.91%

\* 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

	March 31, 2021	March 31, 2020
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2020 of ₹ Nil (March 31, 2019 - ₹ 2.50) per fully paid equity share	-	520.97
Interim dividend for the year ended March 31, 2021 of ₹ 18 (March 31, 2020 - ₹ 20) per fully paid equity share	3,757.41	4,172.34
<b>(ii) Dividends not recognized at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended payment of a final dividend of ₹ 22 per fully paid equity share (March 31, 2020 - ₹ Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,593.00	-

## 39 Related Party Transactions and Balances

### 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- 13 HGS France, S.A.R.L
- 14 C-Cubed N.V.
- 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 Hinduja Healthcare Limited
- 4 Hinduja Realty Ventures Limited
- 5 Hinduja Energy (India) Ltd
- 6 Hinduja National Power Corporation Limited
- 7 IndusInd Media & Communication Limited

### V) 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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

- 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)
- 17 Kalzoom Advisors Private Limited
- 18 UActiv Technology Private Limited (Upto September 3, 2019)
- 19 Trunk Digital Studios LLC (Upto September 3, 2019)
- 20 GOCL Corporation Limited (From September 30, 2019)
- 21 IDL Explosives Limited (From September 30, 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. Bhumiika Batra is a partner) (From September 4, 2019)

5F World (Firm in which Dr. Ganesh Natarajan is a partner) (From September 30, 2019)

Enlead consultants (Mr. Partha DeSarkar-Partner)

## Related Party transactions and balances

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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Rendering of Services</b>						
HGS Healthcare LLC	161,318.20	147,357.68	-	-	-	-
HGS USA LLC	15,684.46	5,968.98	-	-	-	-
Hinduja Global Solutions UK Limited	6,491.11	2,243.11	-	-	-	-
Hinduja Global Solutions Europe Limited	3.49	3.21	-	-	-	-
HGS Canada Inc	625.46	483.22	-	-	-	-
Team HGS Limited	166.17	89.91	-	-	-	-
HGS EBOS LLC	19,856.89	23,172.47	-	-	-	-
HGS Mena FZ LLC	274.83	317.78	-	-	-	-
HGS Axis Point Health LLC	89.63	125.96	-	-	-	-

# 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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
HGS Digital, LLC	1,499.03	1,047.65	-	-	-	-
HGS Colibrium Inc	98.65	359.29	-	-	-	-
Falcon Health Solutions Puerto Rico LLC	16.61	28.93	-	-	-	-
Indus Ind Media & Communications Limited	-	-	-	-	48.19	49.36
Others	-	-	-	0.20	2.78	1.00
<b>Total</b>	<b>206,124.53</b>	<b>181,198.19</b>	<b>-</b>	<b>0.20</b>	<b>50.97</b>	<b>50.36</b>
<b>Interest Income</b>						
HGS International	449.93	925.55	-	-	-	-
Hinduja Group Limited	-	-	-	-	870.90	224.39
Hinduja Realty Ventures Limited	-	-	-	-	998.57	251.92
Hinduja Energy (India) Ltd	-	-	-	-	602.69	7.28
NXTDIGITAL Limited	-	-	-	-	17.34	-
<b>Total</b>	<b>449.93</b>	<b>925.55</b>	<b>-</b>	<b>-</b>	<b>2,489.50</b>	<b>483.59</b>
<b>Lease payments</b>						
Hinduja Group Limited	-	-	-	-	62.40	91.80
Hinduja Realty Ventures Limited	-	-	-	-	201.91	178.93
Satya A Hinduja	-	-	57.65	54.90	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57.65</b>	<b>54.90</b>	<b>264.31</b>	<b>270.73</b>
<b>Link Connectivity Charges</b>						
Indus Ind Media & Communications Ltd	-	-	-	-	2.75	2.75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.75</b>	<b>2.75</b>
<b>Legal &amp; Professional charges</b>						
Hinduja Group Limited	-	-	-	-	500.00	-
Crawford Bayley & Co.	-	-	125.00	-	-	-
HGS Mena FZ LLC	107.01	238.57	-	-	-	-
Global Talent Track Private Limited	-	-	-	-	1.56	-
Kalzoom Advisors Private Limited	-	-	-	-	4.97	-
HGS Digital, LLC	63.57	19.77	-	-	-	-
<b>Total</b>	<b>170.58</b>	<b>258.34</b>	<b>125.00</b>	<b>-</b>	<b>506.54</b>	<b>-</b>
<b>Miscellaneous Expenses</b>						
Hinduja Realty Ventures Limited	-	-	-	-	4.68	18.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.68</b>	<b>18.72</b>
<b>Executive Remuneration*</b>						
Mr. Partha DeSarkar#	-	-	1,731.83	1,160.37	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,731.83</b>	<b>1,160.37</b>	<b>-</b>	<b>-</b>

\* 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 2020-21, dependent on satisfactory performance and subject to NRC approval for ₹ 428.54 lakhs, payable in FY 2021-22. Maximum deferred pay, subject to agreed targets being met and approved by the NRC, ₹ 993.72 Lakhs, payable in FY 2022-2023.

# 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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Advance Paid to Key Managerial Personnel</b>						
Mr. Partha DeSarkar	-	-	-	0.36	-	-
<b>Total</b>	-	-	-	<b>0.36</b>	-	-
<b>Expenses reimbursed to Other Companies</b>						
HGS Healthcare LLC	12.66	29.33	-	-	-	-
HGS (USA), LLC	229.08	286.94	-	-	-	-
HGS Canada Inc.	-	89.40	-	-	-	-
Hinduja Global Solutions Inc.	22.57	-	-	-	-	-
HGS EBOS LLC	1.00	2.91	-	-	-	-
Team HGS Limited	119.87	56.59	-	-	-	-
Hinduja Global Solutions UK Limited	127.70	74.55	-	-	-	-
HGS Mena FZ LLC	38.78	3.60	-	-	-	-
HGS Canada Inc.	130.79	-	-	-	-	-
HGS Axis Point Health LLC	20.17	3.83	-	-	-	-
<b>Total</b>	<b>702.62</b>	<b>547.15</b>	-	-	-	-
<b>Commission to Directors &amp; sitting fees paid</b>						
Commission to Directors	-	-	347.13	325.00	-	-
Sitting fees paid to Director's	-	-	60.50	106.00	-	-
<b>Total</b>	-	-	<b>407.63</b>	<b>431.00</b>	-	-
<b>Loans Given</b>						
Hinduja Group Limited	-	-	-	-	58,500.00	15,000.00
Hinduja Realty Ventures Limited	-	-	-	-	16,500.00	15,000.00
Hinduja Energy (India) Ltd	-	-	-	-	21,500.00	4,000.00
NXTDIGITAL Limited	-	-	-	-	9,950.00	-
<b>Total</b>	-	-	-	-	<b>106,450.00</b>	<b>34,000.00</b>
<b>Loans Repaid</b>						
Hinduja Group Limited	-	-	-	-	57,500.00	-
Hinduja Realty Ventures Limited	-	-	-	-	21,500.00	-
Hinduja Energy (India) Ltd	-	-	-	-	25,500.00	-
<b>Total</b>	-	-	-	-	<b>104,500.00</b>	-
<b>Receivable net of payable as at the year-end</b>						
HGS Healthcare LLC	58,193.15	56,918.39	-	-	-	-
NXTDIGITAL Limited [Refer foot note 1 & 2 of 31A (ii)]	-	-	-	-	1,868.99	1,868.99
HGS (USA), LLC	6,515.22	2,933.89	-	-	-	-
HGS Canada Inc.	141.30	122.96	-	-	-	-
HGS Mena FZ LLC	139.61	160.49	-	-	-	-

# 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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
HGS EBOS LLC	8,495.25	6,522.51	-	-	-	-
Hinduja Global Solutions UK Limited	2,028.04	2,639.28	-	-	-	-
Hinduja Global Solutions Europe Limited	-	0.84	-	-	-	-
Team HGS Limited	40.08	109.70	-	-	-	-
HGS Colibrium Inc	33.10	120.04	-	-	-	-
HGS Axis Point Health LLC	-	55.53	-	-	-	-
Falcon Health Solutions Puerto Rico LLC	5.44	28.93	-	-	-	-
HGS Digital, LLC	792.45	452.82	-	-	-	-
Others	-	-	-	-	26.38	29.40
<b>Total</b>	<b>76,383.64</b>	<b>70,065.38</b>	<b>-</b>	<b>-</b>	<b>1,895.37</b>	<b>1,898.39</b>
<b>Payable net of Receivables as at year-end</b>						
Customer Contact Centre Inc.	3,379.07	3,481.81	-	-	-	-
HGS Axis Point Health LLC	31.32	-	-	-	-	-
Hinduja Group Limited	-	5.62	-	-	-	-
Global Talent Track Private Limited	-	-	-	-	1.56	-
<b>Total</b>	<b>3,410.39</b>	<b>3,487.43</b>	<b>-</b>	<b>-</b>	<b>1.56</b>	<b>-</b>
<b>Loans</b>						
HGS International	29,266.44	30,147.00	-	-	-	-
Hinduja Group Limited	-	-	-	-	16,000.00	15,000.00
Hinduja Realty Ventures Limited	-	-	-	-	10,000.00	15,000.00
Hinduja Energy (India) Ltd	-	-	-	-	-	4,000.00
NXTDIGITAL Limited	-	-	-	-	9,950.00	-
<b>Total</b>	<b>29,266.44</b>	<b>30,147.00</b>	<b>-</b>	<b>-</b>	<b>35,950.00</b>	<b>34,000.00</b>
<b>Interest Receivable</b>						
HGS International	404.56	-	-	-	-	-
Hinduja Group Limited	-	-	-	-	-	3.43
Hinduja Realty Ventures Limited	-	-	-	-	-	3.43
Hinduja Energy (India) Ltd	-	-	-	-	-	0.91
NXTDIGITAL Limited	-	-	-	-	17.34	-
<b>Total</b>	<b>404.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.34</b>	<b>7.77</b>
<b>Interest Received in Advance</b>						
HGS International	-	39.42	-	-	-	-
<b>Total</b>	<b>-</b>	<b>39.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Security deposit</b>						
Hinduja Realty Ventures Limited	-	-	-	-	42.00	42.00
Satya Hinduja	-	-	-	-	12.00	12.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54.00</b>	<b>54.00</b>

# 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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investments in equity shares at the year end						
HGS International	38,880.28	38,880.28	-	-	-	-
<b>Total</b>	<b>38,880.28</b>	<b>38,880.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

1. There are no transactions with parties referred in I above.

## 40 Fair Value Measurements

(a) Financial instruments by category

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
Investments						
- Treasury bills(Refer note 5)	-	-	482.11	-	-	1,032.12
Loans(Refer note 6 & 12)	-	-	65,216.44	-	-	64,147.00
Security deposits (Refer note 7 & note 13)	-	-	4,251.15	-	-	4,746.76
Bank deposits (Refer note 7)	-	-	92.78	-	-	110.11
Trade receivables (Refer note 10)	-	-	82,848.58	-	-	79,842.53
Cash and cash equivalents(Refer note 11a)	-	-	15,789.97	-	-	8,502.34
Bank balances other than Cash and cash equivalents(Refer note 11b)	-	-	400.43	-	-	174.09
Other receivables (Refer note 13)	-	-	1,810.49	-	-	458.03
Derivative financial assets designated in a hedge relationship (Refer note 7 & 13)	-	3,679.53	-	-	334.54	-
<b>Total Financial assets</b>	<b>-</b>	<b>3,679.53</b>	<b>170,891.95</b>	<b>-</b>	<b>334.54</b>	<b>159,012.98</b>
<b>Financial liabilities</b>						
Borrowings(Refer note 16)	-	-	10,974.91	-	-	23,494.26
Lease liabilities(Refer note 17)	-	-	62,923.35	-	-	67,325.20
Trade payables(Refer note 20)	-	-	13,526.68	-	-	14,858.03
Derivative financial liabilities designated in a hedge relationship (Refer note 18 & 21)	-	1,016.89	-	-	6,707.61	-
Other financial liabilities(Refer note 21)	-	-	11,520.61	-	-	9,688.23
<b>Total Financial liabilities</b>	<b>-</b>	<b>1,016.89</b>	<b>98,945.55</b>	<b>-</b>	<b>6,707.61</b>	<b>115,365.72</b>

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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, 2021	7 & 13	-	3,679.53	-	3,679.53
	March 31, 2020		-	334.54	-	334.54
Derivatives designated as hedges						
Foreign exchange forward contracts*	March 31, 2021	18 & 21	-	584.37	-	584.37
	March 31, 2020		-	6,013.47	-	6,013.47
Interest Rate Swap	March 31, 2021	18 & 21	-	432.52	-	432.52
	March 31, 2020		-	694.13	-	694.13

\*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, credit risk and discount rate 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 loan, 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. These financial asset & liabilities have been classified as Level 3.

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 trade 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
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# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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, party-wise and overall limits on the intercorporate deposits.
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) Interest rate risk	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Interest rate swap

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 including unbilled receivables, loans and intercorporate deposits, cash and cash equivalents and deposits with banks and financial institutions.

### i) Credit risk management:

Credit risk arises from the possibility that customers and borrowers may not be able to settle their obligations as agreed. A default on a financial asset arises when the counterparty fails to make contractual payments within agreed credit terms or when they fall due. 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 default experience by class of financial asset
- the credit rating and financial condition of borrowers
- 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 major exposure to the credit risk at the reporting date is primarily from:

- a. trade receivables and unbilled receivables amounting to ₹ 82,848.58 Lakhs (March 31, 2020 ₹ 79,842.53 Lakhs). Trade receivables are typically unsecured. The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. Accordingly, credit risk is managed through customer specific credit approvals, establishing credit limits and monitoring the creditworthiness of customers. 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. Historically, the company has not experienced any significant non-payment or write-offs and the provision made as at reporting date is considered to be adequate. During the year, the Company made write-offs of ₹ 5.43 Lakhs (March 31, 2020 ₹ 117.95 Lakhs) of trade receivables.
- b. Loans receivable and Intercorporate deposits amounting to ₹ 65,216.44 Lakhs (March 31, 2020 ₹ 64,147.00 Lakhs). The loans and intercorporate deposits are placed with parties approved by the Audit Committee subject to the party-wise and overall limits established by the Board of Directors. The loans and intercorporate deposits are unsecured and are repayable on demand or March 31, 2022,

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

whichever is earlier. The Company periodically assesses the credit rating and financial condition of the borrowers, historical experience of timely repayment, the current economic trends and other forward looking macroeconomic information.

- c. 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) Percentage of revenues generated from top customer and top five customers.

	March 31, 2021	March 31, 2020
Revenue from top customer	32.34%	27.38%
Revenue from top five customers	68.05%	60.11%

Ageing of Receivables	March 31, 2021	March 31, 2020
With in the Credit Period	37,184.71	36,907.38
1-30 day past due	21,495.16	20,299.00
31-60 day past due	18,017.31	14,515.10
60-90 day past due	3,991.21	4,355.99
More than 90 day past due	2,160.19	3,765.05
<b>Total</b>	<b>82,848.58</b>	<b>79,842.52</b>

## Movement in excepted credit loss allowance

	March 31, 2021	March 31, 2020
Balances at beginning of the year	182.50	76.57
Movement in excepted credit loss Allowance	31.14	105.93
Balances at closing of the year	213.64	182.50

## B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department, overseen by senior management, is responsible for liquidity and funding as well as settlement management.

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. These limits vary by location to take into account the Liquidity of the market in which the entity operates.

The Company's liquidity management policy involves projecting cash flows in major currencies, considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. Management monitors rolling forecasts of the Company's net liquidity position on the basis of expected cash flows. The company invests its surplus funds in loans and intercorporate deposits with parties approved by the Board of Directors to generate better returns. These investments are subject to the party-wise and overall limits established by the Board of Directors. The limits are regularly assessed and determined based upon and analysis of the credit ratings and financial solvency reviews.

### i) Financing arrangements

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Ageing	March 31, 2021	March 31, 2020
Expiring within one year (Cash Credits and other facilities)	35,500.00	16,579.23
<b>Total</b>	<b>35,500.00</b>	<b>16,579.23</b>

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.

Contractual maturities of financial liabilities - March 31, 2021	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	3,658.30	3,658.31	3,658.31	-	10,974.91
Lease liabilities	8,417.03	8,788.62	23,424.36	22,293.34	62,923.35
Trade payables	13,526.68	-	-	-	13,526.68
Other financial liabilities	11,520.61	-	-	-	11,520.61
<b>Total non-derivative liabilities</b>	<b>37,122.62</b>	<b>12,446.93</b>	<b>27,082.67</b>	<b>22,293.34</b>	<b>98,945.55</b>
<b>Derivatives</b>					
Foreign exchange forward Contracts - net settled and Interest rate swap	825.00	143.93	47.96	-	1,016.89
<b>Total derivative liabilities</b>	<b>825.00</b>	<b>143.93</b>	<b>47.96</b>	<b>-</b>	<b>1,016.89</b>

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
<b>Non-derivatives</b>					
Borrowings	12,189.13	3,768.38	7,536.75	-	23,494.26
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
<b>Total non-derivative liabilities</b>	<b>44,492.69</b>	<b>11,647.21</b>	<b>31,010.70</b>	<b>28,215.12</b>	<b>115,365.72</b>
<b>Derivatives</b>					
Foreign exchange forward Contracts - net settled and Interest rate swap	3,029.79	2,371.00	1,306.82	-	6,707.61
<b>Total derivative liabilities</b>	<b>3,029.79</b>	<b>2,371.00</b>	<b>1,306.82</b>	<b>-</b>	<b>6,707.61</b>

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 highly probable forecast transactions (including inter-company 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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.

As the critical terms of the foreign exchange forward contracts and their corresponding hedged items are the same, the Company performs a qualitative assessment of effectiveness and it is expected that the value of the foreign exchange forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The company monitors the aforesaid critical terms on a quarterly basis to assess if the hedging relationship remains highly effect.

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.

## ii) Foreign currency risk exposure

The companies exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	Currency	As at	
		March 31, 2021	March 31, 2020
<b>Financial assets</b>			
Loans	USD	29,266.44	30,147.00
Trade receivables	USD	78,840.68	72,053.85
	GBP	37.97	81.06
	SGD	2.71	2.64
	CAD	12.63	14.41
	AED	0.84	7.39
	EURO	59.77	-
Bank balance in EEFC accounts	USD	10,073.16	3,450.13
	CAD	66.57	151.96
<b>Financial liabilities</b>			
Borrowings	USD	10,974.92	15,073.50
Lease Liability	USD	1,677.83	2,419.12
Trade payable	USD	8,390.61	5,005.39
	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 and Interest rate swap designated as cash flow hedges.

Particulars	Impact on profit after tax	
	March 31, 2021	March 31, 2020
<b>USD sensitivity</b>		
USD - Increase by 5% (March 31, 2020 - 5%)*	3,634.48	2,704.97
USD - Decrease by 5% (March 31, 2020 - 5%)*	(3,634.48)	(2,704.97)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

Particulars	Impact of cash flow hedges in other comprehensive income (net of tax)	
	March 31, 2021	March 31, 2020
<b>USD sensitivity</b>		
USD - Increase by 5% (March 31, 2020 - 5%)*	(7,704.74)	(6,587.59)
USD - Decrease by 5% (March 31, 2020 - 5%)*	7,715.86	6,588.35

\* 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.

The Company's investments are primarily in short-term loans and deposits, which do not expose it to significant interest rate risk.

### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2021	March 31, 2020
Variable rate borrowings	-	8,420.77
<b>Total borrowings</b>	-	<b>8,420.77</b>

During the current year end the company has no variable rate borrowings. The interest rate on borrowing outstanding is hedged against a derivative instrument.

### (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. The amounts presented below are after considering the impact of interest rate swaps.

	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Interest rates — increase by 70 basis points (March 31, 2020 -70 bps)*	-	(39.28)
Interest rates — decrease by 70 basis points (March 31, 2020 -70 bps)*	-	39.28

	Impact of cash flow hedges in other comprehensive income (net of tax)	
	March 31, 2021	March 31, 2020
Interest rates — increase by 70 basis points (March 31, 2020 -70 bps)*	95.47	151.42
Interest rates — decrease by 70 basis points (March 31, 2020 -70 bps)*	(41.42)	(95.87)

\* Holding all other variables constant

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

## 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.

As the critical terms of the hedging instruments and their corresponding hedged items are the same, the Company performs a qualitative assessment of effectiveness and it is expected that the value of the hedging instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates/interest rates. The Company monitors the aforesaid critical terms on a quarterly basis to assess if the hedging relationship remains highly effective.

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. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Company's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

### March 31, 2021

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 recognizing hedge effectiveness
		Assets	Liabilities				
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
Foreign exchange forward contracts:							
Sell USD, buy INR	183.01	3,542.33	(41.33)	March, 2024	1:1	3,501.00	(3,501.00)
Sell USD, buy PHP	107.50	137.21	(543.04)	March, 2022	1:1	(405.83)	405.83
Interest Rate Swap (included in Other Current Financial Assets/ liabilities)	15.00	-	(432.52)	February, 2024		(432.52)	432.52

### 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 recognizing hedge effectiveness
		Assets	Liabilities				
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
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 (included in Other Current Financial Assets/ liabilities)	20.00	-	(694.14)	February, 2024		(694.14)	694.14

\*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

(b) Disclosure of effects of hedge accounting on financial performance

**March 31, 2021**

Type of hedge	Change in the value of hedging instrument recognized in Other comprehensive income	Hedge ineffectiveness recognized in statement of profit and loss	(Gain)/ Loss reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	11,975.32	-	(3,653.34)	Revenue
Interest rate risk	432.52	-	281.21	Finance Cost

**March 31, 2020**

Type of hedge	Change in the value of hedging instrument recognized in Other comprehensive income	Hedge ineffectiveness recognized in statement of profit and loss	(Gain)/ Loss reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	(5,265.57)	-	(3,605.32)	Revenue
Interest rate risk	516.41	-	59.98	Finance Cost

## 43 Leases (Company as a lessee)

The Company leases several assets including buildings, furnitures and equipments. The average lease term is 6.49 years. ( March 31, 2020- 6.49 years)

Right-of-use assets (both Continuing and discontinued operations)	Building	Office Equipment	Furniture & Fixtures	Total
<u>Net carrying amount</u>				
March 31, 2020	61,692.82	1,222.37	142.36	63,057.55
March 31, 2021	55,474.90	930.50	81.37	56,486.77
<u>Depreciation expense for the year ended</u>				
March 31, 2020	11,826.59	342.49	61.16	12,230.24
March 31, 2021	10,817.48	345.87	60.99	11,224.34

Amounts recognised in statement of profit and loss	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense on right-of-use assets	11,224.34	12,230.24
Interest expense on lease liabilities	5,339.76	6,000.45
Expense relating to short-term leases	1,124.73	1,256.79
(Gain)/ Loss on termination of leases	(671.44)	(2,592.86)
Expense relating to leases of low value assets	-	-
Rent waiver impact on profit and loss due to lease payments	(137.84)	-

Lease liabilities	March 31, 2021	March 31, 2020
Non Current	54,506.32	59,567.90
Current	8,417.03	7,757.30
<b>Total</b>	<b>62,923.35</b>	<b>67,325.20</b>

**Maturity analysis of Lease payments and short term & low value leases**

Particulars	March 31, 2021	March 31, 2020
Not later than 1 year	12,636.85	12,879.68
Later than 1 year and not later than 5 years	43,249.35	45,111.09
Later than 5 years	25,846.99	33,628.38

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

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

### a) Disposal of India Domestic Customer Relationship Management (CRM) business.

The Company on November 28, 2019 had entered into a definitive agreement for sale of its India domestic CRM business to Altruist India Private Limited. The CRM business primarily comprised voice based contact centre services and some non-voice services to CRM customers. The business were 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:

	As of January 31, 2020
<b>Non-Current Assets</b>	
Property, Plant and equipment	2,564.78
<b>Other Current Asset</b>	
Employee advances	1.92
<b>Current Liabilities</b>	
Gratuity	(344.94)
Employee liabilities	(65.34)
<b>Net Assets disposed of</b>	<b>2,156.42</b>

### d) Analysis of profit for the year and cash flows from discontinued operations

	Year ended March 31, 2020
Revenue from operations	23,920.39
Other Income	2,980.85
<b>Total income</b>	<b>26,901.24</b>
Employee benefit expense	16,406.76
Finance cost	891.42
Depreciation and amortisation expense	3,871.09
Other Expenses	3,508.59
<b>Total expenses</b>	<b>24,677.86</b>
Profit before tax (I)	2,223.38
Income Tax expense (II)	
a) Income Tax	132.34
b) Deferred Tax	644.51

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Lakhs)

<b>Total Income Tax expenses</b>	<b>776.85</b>
Gain on disposal of domestic business (III)	965.78
Income Tax expense (IV)	255.13
<b>Profit before tax from discontinued operations (I) + (III)</b>	<b>3,189.16</b>
<b>Income tax expense of discontinued operations (II) + (IV)</b>	<b>1,031.98</b>
<b>Profit after tax from discontinued operations (attributable to the owners of the Company)</b>	<b>2,157.18</b>

<b>Cash flows from discontinued operations</b>	<b>Year ended March 31, 2020</b>
Net cash flows from operating activities	10,167.34
Net cash flows from investing activities	2,987.69
Net cash flows from financing activities	(2,301.69)
<b>Net cash inflows</b>	<b>10,853.34</b>

## 45 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	437.09	534.25
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.95	-
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	-	-
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

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 : Kolar

**Narendra Singh**

Company Secretary

Place : Mumbai

Place : Bengaluru

Date : June 18, 2021

Date : June 18, 2021

# Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 [AOC-1].

(₹ in Lacs, unless otherwise stated)

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	31.03.2021	USD	B/S 73:1661 P/L 74:1321	23,789.39	36,588.05	90,105.88	29,728.44	Nil	1,610.17	(3,781.75)	(36.63)	(3,818.38)	Nil	100
2	Hinduja Global Solutions Inc.	31.03.2021	USD	B/S 73:1661 P/L 74:1321	0.01	(51,332.53)	124,927.25	176,259.77	Nil	4,140.88	(7,403.78)	(4,544.69)	(2,859.09)	Nil	100
3	HGS Properties LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	-	8,174.19	11,311.92	3,137.73	Nil	1,180.43	930.75	-	930.75	Nil	100
4	HGS Canada Holdings LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	24,774.04	(0.01)	24,774.03	-	Nil	-	-	-	-	Nil	100
5	HGS Canada Inc.	31.03.2021	CAD	B/S 58:2008 P/L 56:2767	15,347.56	(40,751.93)	28,067.16	53,471.53	Nil	64,392.35	1,118.49	290.16	828.33	Nil	100
6	HGS EBOS LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	-	5,019.99	20,776.24	15,756.25	Nil	27,262.74	2,353.83	-	2,353.83	Nil	100
7	HGS (USA), LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	3,877.80	52,320.78	78,704.93	22,506.35	Nil	86,749.05	6,246.11	-	6,246.11	Nil	100
8	HGS Healthcare LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	183.65	29,374.22	119,739.29	90,181.42	Nil	261,001.33	6,828.35	1,651.00	5,177.35	Nil	100
9	Affina Company	31.03.2021	CAD	B/S 58:2008 P/L 56:2767	0.12	(2,475.69)	-	2,475.57	Nil	-	-	-	-	Nil	100
10	Hinduja Global Solutions Europe Limited	31.03.2021	GBP	B/S 100:9569 P/L 97:6449	10,413.80	(2,474.24)	14,462.18	6,522.62	Nil	1,370.35	(679.79)	35.25	(715.04)	Nil	100
11	Hinduja Global Solutions UK Limited	31.03.2021	GBP	B/S 100:9569 P/L 97:6449	55.53	45,454.00	106,439.39	60,929.86	Nil	65,166.77	(12.95)	353.08	(366.03)	Nil	100
12	HGS France S.A.R.L	31.03.2021	EUR	B/S 85:9221 P/L 86:7961	6.87	(9.36)	-	2.49	Nil	724.51	711.76	-	711.76	Nil	100
13	C-Cubed N.V	31.03.2021	USD	B/S 73:1661 P/L 74:1321	4.39	35.63	4,299.89	4,259.87	Nil	147.33	(4.88)	-	(4.88)	Nil	100
14	C-Cubed B.V	31.03.2021	EUR	B/S 85:9221 P/L 86:7961	19.50	(2,634.29)	1,863.22	4,478.01	Nil	-	(161.35)	-	(161.35)	Nil	100
15	Customer Contact Centre Inc.	31.03.2021	PHP	B/S 1:5073 P/L 1:5160	1,507.30	1,837.14	3,385.58	41.14	Nil	-	(166.41)	-	(166.41)	Nil	100
16	HGS St. Lucia Limited	31.03.2021	XCD	B/S 27:0733 P/L 27:4392	-	(17.39)	7,727.56	7,744.95	Nil	-	-	-	-	Nil	100
17	Team HGS Limited	31.03.2021	JMD	B/S 0:5028 P/L 0:5136	0.01	8,135.97	23,477.53	15,341.55	Nil	36,692.96	5,485.96	612.80	5,386.76	Nil	100
18	HGS Mena FZ LLC	31.03.2021	AED	B/S 19:9227 P/L 20:1857	219.41	(5,887.91)	412.18	6,080.68	Nil	1,129.11	(225.26)	-	(225.26)	Nil	100
19	HGS Colibrium LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	26,486.13	(16,300.58)	11,902.88	1,717.33	Nil	4,958.16	(1,620.96)	-	(1,620.96)	Nil	100
20	HGS Digital LLC (Formerly known as Element Solutions LLC)	31.03.2021	USD	B/S 73:1661 P/L 74:1321	5.27	5,268.09	9,013.12	3,739.76	Nil	16,962.28	2,844.38	402.95	2,441.43	Nil	100
21	HGS Axis Point Helath LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	2,151.08	(25,746.88)	2,558.89	26,154.69	Nil	5,999.56	(4,944.07)	656.66	(5,600.73)	Nil	100
22	Falcon Health Solutions Puerto Rico Holding LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	-	-	-	-	Nil	-	-	-	-	Nil	100
23	Falcon Health Solutions Puerto Rico LLC	31.03.2021	USD	B/S 73:1661 P/L 74:1321	-	900.34	986.84	86.50	Nil	1,326.86	(108.94)	12.03	(120.97)	Nil	100

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## NOTES

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# A GLIMPSE OF HGS' PRESENCE GLOBALLY



## CANADA



BELLEVILLE



KENTVILLE



CHARLOTTETOWN

## INDIA



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WALES

## JAMAICA



KINGSTON

## US



PEORIA



ST. LOUIS



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