HGS®
HINDUJA GLOBAL SOLUTIONS

February 8, 2018

BSE Limited
Corporate Relation Dept.
P. J. Towers, Dalal Street
Mumbai 400 001.
Scrip Code : 532859

National Stock Exchange of India Ltd
"Exchange Plaza",
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051.
Symbol : HGS

Dear Sirs,

Sub: Outcome of the Board Meeting: Scheme of Amalgamation

We hereby inform that the Board of Directors of the Company, at its meeting held on Thursday, February 8, 2018 (concluded at 9:05 p.m.) have approved the Scheme of Amalgamation of HGS International Services Private Limited ("HGSISPL"), a wholly owned subsidiary of Hinduja Global Solutions Limited ("HGS" or "the Company") with the Company. The Scheme shall be subject to the approval / sanction by the National Company Law Tribunal, Mumbai Bench ("NCLT") and shareholders/creditors, as may be directed by the NCLT. The disclosure as required under Regulation 30 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 read with Circular No CIR/CFD/CMD/4/2015 dated 9th September, 2015, is enclosed as an Annexure.

Request you to take note of the same.

Thanking you.

Yours faithfully

For **Hinduja Global Solutions Limited**

Makarand Dewal

Company Secretary

Encl: Annexure

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Annexure to the Letter dated February 8, 2018

a. **Name of the entities forming part of the amalgamation**

- **Transferor Company:** HGS International Services Private Limited (Transferor Company' or 'HGSISPL')
- **Transferee Company:** Hinduja Global Solutions Limited ('Transferee Company' or 'HGS')
- **Appointed Date as per Scheme:** April 1, 2017

b. **Details in brief of the Companies involved in the Scheme as on December 31, 2017 is as under (based upon unaudited Financial Results for the Nine Months ended December 31, 2017)**

Rs. In lakhs

Criteria	Transferor Company	Transferee Company
Net worth	Rs. 26,332.99 (As at 31.12.2017)	Rs.108,305.13 (As at 31.12.2017)
Turnover/ Total Revenue	Rs.29,799.47 (For the period April 1 to December 31, 2017)	Rs.127,925.74 (For the period April 1 to December 31, 2017)

c. **Whether the Transaction would fall within related party transactions? If yes, whether the same is done at arm's length**

The Transferor Company is a wholly owned subsidiary of the Transferee Company and the management of both the Companies are one and the same. The entire equity share capital of the Transferor Company is held by the Transferee Company along with its Nominees. Thus, the proposed transaction (i.e.

Amalgamation) would be a related party transaction under the Companies Act, 2013.

As per the proposed Scheme of Amalgamation, the investment/ entire equity share capital held by the Transferee Company in the Transferor Company shall stand cancelled and no new equity shares of the Transferee Company will be allotted in lieu of or exchange of its holdings in the Transferor Company. As there is no consideration involved in the proposed transaction, there is no question of transaction being done on 'Arm's Length' basis. As per the Scheme, once the Scheme becomes effective, the Transferor Company shall stand dissolved without winding up.

d. Rationale of the Scheme

The principal advantages and benefits of the proposed Scheme are as follows:

i. The Transferor Company is a wholly owned subsidiary of the Transferee Company and the management of both the companies are one and the same. The business activities are mostly similar and complement each other. In order to integrate the business carried on by both the companies, it is proposed to amalgamate the Transferor Company with the Transferee Company as this will enable the Transferee Company to have greater and optimal use of resources.

ii. Considerable synergies of operations would be achieved, resulting in economies of scale, effective coordination and better control over the activities, reduction of overheads and administrative expenses, would allow optimum utilisation of equipment and other resources, ultimately resulting into higher profitability for the Transferee Company.

iii. The benefits of combined resources/ profits, assets and cash flows would enhance capability of the Transferee company to face competition effectively.

iv. Pooling of financial resources and unfettered access to cash flows generated by the combined business would enable the Transferee Company to deploy funds in organic and inorganic growth opportunities and in capital expenditure.

v. Cost savings are expected from more focused operational efforts, rationalisation, standardisation of business processes, elimination of duplication of work/ functions and rationalisation of administrative expenses.

vi. The Scheme shall be beneficial to and in the best interest of the shareholders, creditors and employees of the Transferor and Transferee Company, public at large and all concerned.

e. Area of business of the entity(ies)

HGSISPL is currently engaged in the business relating to Information Technology (IT), Information Technology Enabled Services (ITeS), Business Process Outsourcing/ Management, Knowledge Process Outsourcing, Contact Centre Solutions, Human Resources Outsourcing, Compensation/ Benefits, Administration and Processing, Transactions Processing, Back Office Operations, etc. HGSISPL is a wholly owned subsidiary of HGS.

HGS is currently engaged in the business of Information Technology (IT), Information Technology Enabled Services (ITeS), Business Process Outsourcing/ Management, Knowledge Process Outsourcing, Contact Centre Solutions and Back Office Transactions Processing, etc. in India and abroad.

f. In case of cash consideration — amount or otherwise share exchange ratio

In the proposed transaction, there is no cash consideration. Further, as explained under para 'c' above, the investment/ entire equity share capital held by the Transferee Company in the Transferor Company shall stand cancelled and no new equity shares of the Transferee Company will be allotted in lieu of or exchange of its holdings in the Transferor Company. As such, there is no question of share exchange ratio.

g. Brief details of change in shareholding pattern (if any) of listed entity

Pursuant to the Scheme of Amalgamation, there will be no change in the shareholding pattern (issued, subscribed and paid up) of the Transferee Company as no shares will be issued by it, since it holds the entire issued, subscribed and paid up equity capital of the Transferor Company. As per the Scheme, there will be increase in the Authorized Share Capital of the Transferee Company on consolidation of the Authorized Share Capital of the Transferor Company with that of the Transferee Company.

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