

**INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES LIMITED**

**Report on the Condensed Standalone Interim Financial Statements**

We have audited the accompanying condensed standalone interim financial statements of **HEXAWARE TECHNOLOGIES LIMITED** (“the Company”), which comprise the Condensed Balance Sheet as at 30<sup>th</sup> September, 2015, the Condensed Statement of Profit and Loss for the quarter and nine months ended 30<sup>th</sup> September, 2015 and the Condensed Cash Flow Statement for the nine months ended 30<sup>th</sup> September, 2015, and the selected Explanatory notes.

**Management's Responsibility for the Condensed Standalone Interim Financial Statements**

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standard (AS-25) on Interim Financial Reporting specified under Section 133 of the Companies Act, 2013 (“the Act”), read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 condensed financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these condensed financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the condensed financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the condensed financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India, of the state of affairs of the Company as at 30th September, 2015, its profit for the quarter and nine months ended on that date and its cash flows for the nine months ended on that date.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Abhijit A. Damle**  
Partner  
(Membership No. 102912)

**MUMBAI**, 3<sup>rd</sup> November, 2015

# HEXAWARE TECHNOLOGIES LIMITED

## CONDENSED BALANCE SHEET AS AT 30TH SEPTEMBER, 2015

(Rs. Million)

Particulars	Note No.	As at 30th September 2015	As at 31st December 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Share holders' funds</b>			
a. Share capital	2	603.01	601.85
b. Reserves and surplus	3	10,452.66	9,771.53
		11,055.67	10,373.38
<b>Share application money pending allotment</b>	2	-	0.45
<b>Non-current liabilities</b>			
a. Deferred tax liabilities (net)	4	90.17	118.68
b. Other long term liabilities	5	57.14	31.65
c. Long-term provisions - Employee benefits		336.64	281.39
		483.95	431.72
<b>Current liabilities</b>			
a. Trade payables			
i. Dues of micro and small enterprises		-	-
ii. Others		1,434.60	1,707.24
b. Other current liabilities	6	1,088.16	868.39
c. Short term provisions	7	982.84	1,020.41
		3,505.60	3,596.04
<b>Total</b>		<b>15,045.22</b>	<b>14,401.59</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
a. Fixed assets	8		
i. Tangible assets		2,932.51	2,998.10
ii. Intangible assets		104.53	105.16
iii. Capital work-in-progress		875.77	346.50
		3,912.81	3,449.76
b. Non-current investments	9	1,937.26	1,935.60
c. Long-term loans and advances	10	1,916.58	1,593.45
d. Other non-current assets	11	218.15	206.21
		7,984.80	7,185.02
<b>Current assets</b>			
a. Current investments	12	696.53	1,850.96
b. Trade receivables	13	4,324.48	3,403.02
c. Cash and cash equivalents	14	1,030.87	1,104.22
d. Short-term loans and advances	15	699.41	600.20
e. Other current assets	16	309.13	258.17
		7,060.42	7,216.57
<b>Total</b>		<b>15,045.22</b>	<b>14,401.59</b>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	1 to 29		

In terms of our attached report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the board**

**Abhijit A. Damle**  
(Partner)

**R. Srikrishna**  
(CEO & Executive Director)

**Dileep Choksi**  
(Director)

Place : Mumbai  
Date : 3rd November, 2015

# HEXAWARE TECHNOLOGIES LIMITED

## CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED 30TH SEPTEMBER, 2015

(Rs. Million)

Particulars	Note No.	For the Quarter ended 30th September		For the Nine Months ended 30th September	
		2015	2014	2015	2014
<b>I. INCOME</b>					
a. Revenue from operations		3,483.89	3,445.69	9,664.85	8,358.61
b. Other income	17	19.69	39.08	81.57	560.18
		3,503.58	3,484.77	9,746.42	8,918.79
<b>II. EXPENSES</b>					
a. Software and development expenses	18	150.05	207.97	435.93	526.28
b. Employee benefits expenses	19	1,664.40	1,793.33	4,662.45	4,135.07
c. Operation and other expenses	20	386.31	424.71	1,074.01	944.82
d. Employee stock option compensation cost		111.58	-	203.43	-
e. Exchange rate difference (net)		(80.97)	32.72	(33.56)	137.60
f. Interest - others		-	6.27	0.01	6.46
g. Depreciation and amortisation expenses	8	101.78	116.06	300.99	291.96
		2,333.15	2,581.06	6,643.26	6,042.19
<b>Profit before tax</b>		1,170.43	903.71	3,103.16	2,876.60
<b>Tax expense</b>					
a. Income Tax - Current (net of MAT credit entitlement)		224.38	152.92	611.52	570.51
b. Income Tax - Deferred		2.72	(51.30)	(28.51)	(110.06)
		227.10	101.62	583.01	460.45
<b>Profit for the period</b>		943.33	802.09	2,520.15	2,416.15
<b>Earnings per share (in Rupees)</b>	23				
Basic		3.13	2.67	8.37	8.05
Diluted		3.10	2.66	8.28	8.01
<b>Face value of equity share (in Rupees)</b>		2.00	2.00	2.00	2.00
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	1 to 29				
In terms of our attached report of even date					
<b>For Deloitte Haskins &amp; Sells LLP</b>		<b>For and on behalf of the board</b>			
Chartered Accountants					
<b>Abhijit A. Damle</b>		<b>R. Srikrishna</b>		<b>Dileep Choksi</b>	
(Partner)		(CEO & Executive Director)		(Director)	
Place : Mumbai					
Date : 3rd November, 2015					

# HEXAWARE TECHNOLOGIES LIMITED

## CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2015

(Rs. Million)

Particulars	For the Nine Months ended 30th September	
	2015	2014
<b>A Cash flow from operating activities</b>		
Net Profit before tax	3,103.16	2,876.60
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	300.99	291.96
Employee stock option compensation cost	203.43	-
Dividend from current investments	(39.82)	(103.48)
Dividend from subsidiary company	-	(373.23)
Interest income	(24.45)	(48.95)
Provision for doubtful accounts (net)	24.83	(4.81)
(Profit) on sale / diminution in value of investments (net)	-	(0.44)
Debts and advances written off	3.67	1.70
Deferred settlement loss relating to roll-over cash flow hedges	184.36	737.73
Loss on sale of fixed assets (net)	0.10	1.20
Interest expense	0.01	6.46
Exchange rate difference (net) - unrealised	6.18	(9.44)
<b>Operating Profit before working capital changes</b>	<b>3,762.46</b>	<b>3,375.30</b>
<b>Adjustments for :</b>		
Trade and other receivables	(1,144.15)	(646.68)
Trade and other payables	(285.58)	(142.42)
<b>Cash generated from operations</b>	<b>2,332.73</b>	<b>2,586.20</b>
Direct taxes paid (net)	(583.45)	(584.38)
<b>Net cash from operating activities</b>	<b>1,749.28</b>	<b>2,001.82</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(710.34)	(338.91)
Purchase of trade investments	(1.66)	-
Purchase of current investments	(7,965.57)	(19,593.59)
Interest received (net of tax Rs. 1.88 million (Rs. 10.21 million))	26.74	134.03
Proceeds from sale / redemption of current investments	9,120.00	21,192.33
Dividend from subsidiary company (net of tax Nil (Rs. 63.43 million))	-	309.80
Dividend from current investments	39.82	103.48
Proceeds from sale of fixed assets	1.54	0.43
<b>Net cash from investing activities</b>	<b>510.53</b>	<b>1,807.57</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of shares	29.50	40.32
Share application money adjusted	(0.45)	(0.86)
Interest paid	(0.01)	(6.46)
Dividend paid (including corporate dividend tax)	(2,355.68)	(4,548.39)
<b>Net cash (used in) financing activities</b>	<b>(2,326.64)</b>	<b>(4,515.39)</b>
<b>Net (Decrease) in cash and cash equivalents</b>	<b>(66.83)</b>	<b>(706.00)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,103.03</b>	<b>1,474.42</b>
<b>Cash and cash equivalents taken over consequent to merger (Refer Note no. 26)</b>	<b>-</b>	<b>198.37</b>
<b>Cash and cash equivalents at the end of the period (Refer Note 1 below)</b>	<b>1,036.20</b>	<b>966.79</b>
<b>Notes:</b>		
1 Components of cash and cash equivalents comprise the following : (Refer Note no. 14 of notes forming part of financial statements)		
Cash and Bank Balances	1,244.29	1,168.23
Less : Restricted bank balances	(213.42)	(191.51)
<b>Cash and Cash equivalents</b>	<b>1,030.87</b>	<b>976.72</b>
Add : Unrealised Loss / (gain) on foreign currency cash and cash equivalents	5.33	(9.93)
<b>Total Cash and Cash equivalents</b>	<b>1,036.20</b>	<b>966.79</b>
2 Previous period's figures have been regrouped wherever necessary.		
3 The amalgamation of wholly owned subsidiary, Caliber Point Business Solutions Limited and the consequent additions to assets and liabilities has been treated as a non-cash transaction. (Refer Note no. 26)		
In terms of our attached report of even date		
<b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants	<b>For and on behalf of the Board</b>	
<b>Abhijit A. Damle</b> (Partner)	<b>R. Srikrishna</b> (CEO & Executive Director)	<b>Dileep Choksi</b> (Director)
Place : Mumbai Date : 3rd November, 2015		

**HEXAWARE TECHNOLOGIES LIMITED**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**1. BACKGROUND**

Hexaware Technologies Limited ("Hexaware" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing and services. The various service offerings comprise application development and management, enterprise package solutions, infrastructure management, business intelligence and analytics, business process management, quality assurance and independent testing.

These condensed interim financial statements have been prepared using the same basis / accounting policies as those used for the audited financial statements for the year ended on 31st December 2014 except for reassessment of useful lives of fixed assets of the Company w.e.f. 1st January 2015 as per provisions of Schedule II of the Companies Act, 2013 and recognition of Employee stock option compensation cost using fair value method instead of intrinsic value method followed hitherto (Refer note 8(c) and 28). These interim financial statements have been prepared considering the requirements of Accounting Standard 25 "Interim financial reporting".

(Rs. Million)

Particulars	As at		As at	
	30th September 2015		31st December 2014	
<b>2. SHARE CAPITAL</b>				
<b>a. Authorised</b>				
475,000,000 Equity shares of Rs. 2/- each	950.00		950.00	
1,100,000 Series "A" Preference shares of Rs. 1,421/- each	1,563.10		1,563.10	
(Authorised Preference share capital can be either cumulative or non cumulative with a power to the Company to convert the same into equity shares at any time.)				
<b>Total</b>	<u>2,513.10</u>		<u>2,513.10</u>	
<b>b. Issued, subscribed and paid-up capital</b>				
Equity Shares of Rs. 2/- each fully paid	603.01		601.85	
<b>Total</b>	<u>603.01</u>		<u>601.85</u>	
<b>c. Reconciliation of number of shares</b>				
<b>Particulars</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
Shares outstanding at the beginning of the period / year	300,923,472	601.85	299,875,947	599.75
Shares issued during the period / year	582,650	1.16	1,047,525	2.10
Shares outstanding at the end of the period / year	301,506,122	603.01	300,923,472	601.85
<b>d. Details of shares held by shareholders holding more than 5% shares</b>				
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of holding</b>	<b>No. of Shares held</b>	<b>% of holding</b>
HT Global IT Solutions Holdings Ltd. (Holding company)	215,047,193	71.32	215,047,193	71.46
<b>e. Shares allotted as fully paid up by way of bonus shares during five years preceding the year end</b>				
The Company allotted 145,545,781 equity shares as fully paid up bonus shares by utilisation of Securities premium account on 2nd March, 2011 pursuant to shareholder's resolution passed in Extra Ordinary General Meeting held on 15th February, 2011.				
<b>f. Rights, preferences and restrictions attached to equity shares</b>				
The Company has one class of equity shares having a par value of Rs. 2 each. 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.				
<b>g. Shares reserved for issue under options</b>				
The Company has granted employee stock options under ESOP 2002, 2007 and 2008 schemes and restricted stock units under the ESOP 2008 and 2015 scheme. Each option entitles the holder to one equity share of Rs. 2 each. 9,355,688 options were outstanding as on 30th September, 2015 (1,576,500 as on 31st December, 2014).				
<b>h. Share application money pending allotment</b>				
Share application money pending allotment is Rs. Nil as at 30th September, 2015 (Rs. 0.45 million as at 31st December 2014) which pertains to Nil (36,000) shares.				
<b>i. The Board of Directors, at its meeting held on 3rd November, 2015 has declared interim dividend of Rs. 2.25/- per equity share.</b>				

HEXAWARE TECHNOLOGIES LIMITED  
NOTES TO CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at	
	30th September 2015	31st December 2014
<b>3. RESERVES AND SURPLUS</b>		
<b>a. Securities premium account</b>		
Opening balance	4,741.93	4,654.45
Add : On merger of Caliber Point Business Solutions Limited (Refer Note no. 26)	-	41.12
Add : Received during the period / year	28.34	46.36
Closing balance	4,770.27	4,741.93
<b>b. Employee stock options outstanding</b>		
Employee stock option compensation cost (includes Rs. 21.56 million transferred from other payable for expenses, being accrual in the previous year)	224.99	-
Closing balance	224.99	-
<b>c. General reserve</b>		
Opening balance	2,135.75	1,876.87
Add : On merger of Caliber Point Business Solutions Limited (Refer Note no. 26)	-	300.00
Less : Excess of Investment in Caliber Point Business Solutions Limited over its share capital (Refer Note no. 26)	-	41.12
Closing balance	2,135.75	2,135.75
<b>d. Hedging reserve</b>		
Opening balance	(253.01)	(1,176.45)
Add : On merger of Caliber Point Business Solutions Limited (Refer Note no. 26)	-	(62.96)
Add : Losses transferred to Statement of Profit and Loss on occurrence of forecasted hedge transactions (net)	112.27	759.56
Add : Changes in the fair value of the effective portion of outstanding cash flow hedges	61.21	226.84
Closing balance	(79.53)	(253.01)
<b>e. Amalgamation reserve</b>	2.88	2.88
<b>f. Special Economic Zone Re-investment reserve</b>		
Opening balance	281.39	223.94
Add : Transfer from Balance in Statement of Profit and Loss	169.80	176.38
Less : Transfer to Statement of Profit and Loss on utilisation for acquisition of plant and machinery	-	118.93
Closing balance	451.19	281.39
<b>g. Balance in Statement of Profit and Loss</b>		
Opening balance	2,862.59	2,703.83
Add : On merger of Caliber Point Business Solutions Limited (Refer Note no. 26)		
Balance as at 1st April, 2013	-	382.66
Profit for the period from 1st April 2013 to 31st December 2013	-	(29.75)
Add : Transfer from Special Economic Zone Re-investment reserve	-	118.93
Add : Profit for the period / year	2,520.15	3,183.96
	5,382.74	6,359.63
Less : <b>Appropriations</b>		
Transfer to Special Economic Zone Re-investment reserve	169.80	176.38
Interim dividend - equity	1,884.41	2,840.97
Tax on dividend (previous year after adjusting tax benefit on dividend distributed by a subsidiary )	381.42	479.69
Closing balance	2,947.11	2,862.59
<b>Total</b>	<b>10,452.66</b>	<b>9,771.53</b>

HEXAWARE TECHNOLOGIES LIMITED  
NOTES TO CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at	As at
	30th September 2015	31st December 2014
<b>4. DEFERRED TAX LIABILITIES</b>		
<b>Deferred tax liabilities</b>		
a. Depreciation	165.15	149.50
b. Deferred settlement loss relating to roll-over of Cash flow hedges	-	35.36
	<u>165.15</u>	<u>184.86</u>
<b>Less : Deferred tax assets</b>		
a. Employee benefits	68.37	62.59
b. Provision for doubtful receivables	5.25	3.59
c. Provision others	1.36	-
	<u>74.98</u>	<u>66.18</u>
<b>Total</b>	<u><u>90.17</u></u>	<u><u>118.68</u></u>
<b>5. OTHER LONG TERM LIABILITIES</b>		
a. Capital creditors	3.25	5.87
b. Liability for mark to market losses on derivative contracts (net)	50.94	25.19
c. Other liabilities	2.95	0.59
	<u>57.14</u>	<u>31.65</u>
<b>Total</b>	<u><u>57.14</u></u>	<u><u>31.65</u></u>
<b>6. OTHER CURRENT LIABILITIES</b>		
a. Unearned revenues	33.64	45.89
b. Unclaimed dividend *	112.61	96.40
c. Other payables		
i. Employee related	183.02	228.90
ii. Statutory liabilities	129.67	115.73
iii. Capital creditors	354.02	76.50
iv. For expenses	248.76	253.43
v. For mark to market losses on derivative contracts (net)	26.44	51.54
* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
	<u>1,088.16</u>	<u>868.39</u>
<b>Total</b>	<u><u>1,088.16</u></u>	<u><u>868.39</u></u>
<b>7. SHORT TERM PROVISIONS</b>		
a. For employee benefits	47.01	49.52
b. Proposed dividend	678.39	752.31
c. Tax on proposed dividend	138.10	154.03
d. For tax (net of advance tax) (net of MAT credit availed Rs. 47.68 million (Rs. 56.85 million)	115.40	30.09
e. Others (Refer Note no. 25)	3.94	34.46
	<u>982.84</u>	<u>1,020.41</u>
<b>Total</b>	<u><u>982.84</u></u>	<u><u>1,020.41</u></u>



HEXAWARE TECHNOLOGIES LIMITED  
NOTES TO CONDENSED FINANCIAL STATEMENTS

8. FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION AND AMORTISATION					(Rs. Million)	
	As at 01.01.2015	Addition on merger (Refer Note No. 26)	Additions	Deductions/ Adjustments	As at 30.09.2015	As at 01.01.2015	Addition on merger (Refer Note No. 26)	For the period	Deductions/ Adjustments	As at 30.09.2015	NET BLOCK	
											As at 30.09.2015	As at 31.12.2014
<b>i. Tangible Assets</b>												
Land - Freehold	0.15	-	-	-	0.15	-	-	-	-	-	0.15	0.15
Land - Leasehold	161.07	-	-	-	161.07	12.90	-	1.21	-	14.11	146.96	148.17
Building	2,248.11	-	1.31	-	2,249.42	178.65	-	34.22	-	212.87	2,036.55	2,069.46
Plant and Machinery	1,414.76	-	160.24	34.91	1,540.09	1,059.07	-	113.07	33.59	1,138.55	401.54	355.69
Office Equipments	748.91	-	26.98	0.20	775.69	492.05	-	77.84	0.19	569.70	205.99	256.86
Furniture and Fixtures	508.73	-	2.90	0.33	511.30	347.89	-	27.05	0.61	374.33	136.97	160.84
Vehicles	23.62	-	-	0.72	22.90	19.55	-	1.82	0.71	20.66	2.24	4.07
Leasehold Improvements	4.97	-	-	-	4.97	2.11	-	0.75	-	2.86	2.11	2.86
<b>Total</b>	<b>5,110.32</b>	<b>-</b>	<b>191.43</b>	<b>36.16</b>	<b>5,265.59</b>	<b>2,112.22</b>	<b>-</b>	<b>255.96</b>	<b>35.10</b>	<b>2,333.08</b>	<b>2,932.51</b>	<b>2,998.10</b>
<i>Previous year</i>	<i>4,473.98</i>	<i>692.53</i>	<i>162.86</i>	<i>219.05</i>	<i>5,110.32</i>	<i>1,519.26</i>	<i>284.69</i>	<i>341.39</i>	<i>33.12</i>	<i>2,112.22</i>	<i>2,998.10</i>	
<b>ii. Intangible Assets</b>												
Software	329.58	-	44.64	0.24	373.98	224.42	-	45.03	-	269.45	104.53	105.16
<b>Total</b>	<b>329.58</b>	<b>-</b>	<b>44.64</b>	<b>0.24</b>	<b>373.98</b>	<b>224.42</b>	<b>-</b>	<b>45.03</b>	<b>-</b>	<b>269.45</b>	<b>104.53</b>	<b>105.16</b>
<i>Previous year</i>	<i>210.02</i>	<i>38.20</i>	<i>81.36</i>	<i>-</i>	<i>329.58</i>	<i>145.80</i>	<i>28.32</i>	<i>50.30</i>	<i>-</i>	<i>224.42</i>	<i>105.16</i>	
<b>iii. Capital work-in-progress (mainly in respect of buildings under construction)</b>												
											875.77	346.50
<b>Grand total</b>	<b>5,439.90</b>	<b>-</b>	<b>236.07</b>	<b>36.40</b>	<b>5,639.57</b>	<b>2,336.64</b>	<b>-</b>	<b>300.99</b>	<b>35.10</b>	<b>2,602.53</b>	<b>3,912.81</b>	<b>3,449.76</b>
<i>Previous year</i>	<i>4,684.00</i>	<i>730.73</i>	<i>244.22</i>	<i>219.05</i>	<i>5,439.90</i>	<i>1,665.06</i>	<i>313.01</i>	<i>391.69</i>	<i>33.12</i>	<i>2,336.64</i>	<i>3,449.76</i>	

Notes:

- Land - Leasehold includes Rs. 90.00 million and Rs. 7.17 million (Previous year Rs. 6.49 million) being lease premium and accumulated amortisation respectively in respect of leasehold land allotted to the Company at Nagpur for which final lease agreement is being executed.
- Plant and machinery includes Computer systems.
- During the period, pursuant to application of Schedule II of the Companies Act, 2013, the useful lives of the fixed assets has been evaluated and revised where required based on such evaluation. Expert advice has been obtained in respect of assets where the useful lives are different from stipulations of the Schedule II. The impact of the revision is not material.

HEXAWARE TECHNOLOGIES LIMITED  
NOTES TO CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at	As at
	30th September 2015	31st December 2014
<b>9. NON-CURRENT INVESTMENTS</b>		
<b>Trade investments in subsidiary companies (unquoted) (at cost)</b>		
a. 30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,632.68	1,632.68
b. 2,167,000 shares of 1 GBP each fully paid up in Hexaware Technologies UK Ltd.	154.64	154.64
c. 500,000 shares of Singapore \$ 1/- each fully paid up in Hexaware Technologies Asia Pacific Pte. Ltd., Singapore	12.48	12.48
d. 3,618 shares of face value 50 euro each fully paid up in Hexaware Technologies GmbH., Germany	7.57	7.57
e. 1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	0.73	0.73
f. 9,500,000 shares of Rs. 10/- each fully paid up in Risk Technology International Limited	93.50	93.50
g. 1 participation share of no par value in Hexaware Technologies Mexico S De R.L. De C.V.	29.42	29.42
h. 5 (Nil) shares at no par value in Guangzhou Hexaware Information Technologies Company Limited	1.66	-
	<u>1,932.68</u>	<u>1,931.02</u>
<b>Trade investments (unquoted) (at cost) - in others</b>		
240,958 equity shares of Rs. 10/- each fully paid up in Beta Wind Farm Pvt. Ltd.	4.58	4.58
	<u>4.58</u>	<u>4.58</u>
<b>Total</b>	<u><u>1,937.26</u></u>	<u><u>1,935.60</u></u>
<b>10. LONG TERM LOANS AND ADVANCES (UNSECURED)</b>		
Considered good		
a. Loans to related parties (Refer Note no. 22)	222.50	200.00
b. Capital Advances	276.34	56.44
c. Security Deposits	128.52	114.10
d. Advance Income Tax and Fringe benefit Tax (net of provision for tax)	341.56	334.76
e. MAT Credit Entitlement	880.76	828.44
f. Other Loans and advances (includes service tax receivable, prepaid expenses etc.)	66.90	59.71
	<u>1,916.58</u>	<u>1,593.45</u>
<b>Total</b>	<u><u>1,916.58</u></u>	<u><u>1,593.45</u></u>
<b>11. OTHER NON-CURRENT ASSETS</b>		
a. Interest accrued on deposits	4.73	9.03
b. Non current bank balances		
Restricted bank balances (Refer Note no. 14)	213.42	197.18
	<u>213.42</u>	<u>197.18</u>
<b>Total</b>	<u><u>218.15</u></u>	<u><u>206.21</u></u>
<b>12. CURRENT INVESTMENTS</b>		
Investments in mutual funds (unquoted)	696.53	1,850.96
	<u>696.53</u>	<u>1,850.96</u>
<b>Total</b>	<u><u>696.53</u></u>	<u><u>1,850.96</u></u>

HEXAWARE TECHNOLOGIES LIMITED  
NOTES TO CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at	
	30th September 2015	31st December 2014
<b>13. TRADE RECEIVABLES (UNSECURED)</b>		
a. Over six months from the due date		
Considered good	24.13	-
Considered doubtful	37.19	12.32
	61.32	12.32
Less : Provision for doubtful receivables	37.19	12.32
	24.13	-
b. Others		
Considered good	4,300.35	3,403.02
Considered doubtful	9.08	9.18
	4,309.43	3,412.20
Less : Provision for doubtful receivables	9.08	9.18
	4,300.35	3,403.02
<b>Total</b>	<b>4,324.48</b>	<b>3,403.02</b>
<b>14. CASH AND CASH EQUIVALENTS</b>		
a. Cash in hand	0.07	-
b. Balances with banks		
i. In current accounts	930.41	1,088.13
ii. Remittances in transit	93.54	0.31
iii. Bank deposit accounts with less than 3 months maturity	6.85	15.78
	1,030.80	1,104.22
c. Other bank balances		
i. Earmarked balances with banks	93.31	93.31
ii. Unclaimed dividend accounts	112.96	96.76
iii. Margin money	7.15	7.11
	213.42	197.18
Total Cash and Bank Balances	1,244.29	1,301.40
d. Less : Bank balances classified as non current assets		
Restricted bank balances (Refer Note no. 11)	(213.42)	(197.18)
<b>Total</b>	<b>1,030.87</b>	<b>1,104.22</b>
<b>15. SHORT TERM LOANS AND ADVANCES (UNSECURED)</b>		
a. Considered good		
i. Security deposits	1.26	4.51
ii. Loans and advances to related parties (Refer Note no. 22)	283.55	264.78
iii. Other loans and advances (includes service tax receivable, prepaid expenses, employee advances etc.)	414.60	330.91
	699.41	600.20
b. Considered doubtful		
Security deposits	35.15	34.78
Less : Provision for doubtful deposits	35.15	34.78
	-	-
<b>Total</b>	<b>699.41</b>	<b>600.20</b>
<b>16. OTHER CURRENT ASSETS</b>		
a. Interest accrued on deposits	0.60	0.47
b. Unbilled services	308.53	257.70
<b>Total</b>	<b>309.13</b>	<b>258.17</b>

HEXAWARE TECHNOLOGIES LIMITED  
NOTES TO CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	For the Quarter ended 30th September		For the Nine Months ended 30th September	
	2015	2014	2015	2014
<b>17. OTHER INCOME</b>				
a. Dividend from current investments	8.30	24.01	39.82	103.48
b. Dividend from subsidiary company	-	-	-	373.23
c. Profit on sale / diminution in value of investments (net)	-	-	-	0.44
d. Interest income	9.37	13.89	24.45	48.95
e. Profit / (Loss) on sale of fixed assets (net)	0.23	(0.01)	(0.10)	(1.20)
f. Miscellaneous income	1.79	1.19	17.40	35.28
<b>Total</b>	<b>19.69</b>	<b>39.08</b>	<b>81.57</b>	<b>560.18</b>
<b>18. SOFTWARE AND DEVELOPMENT EXPENSES</b>				
a. Consultant travel and related expenses	63.01	43.91	188.62	153.90
b. Software expenses *	87.04	164.06	247.31	372.38
<b>Total</b>	<b>150.05</b>	<b>207.97</b>	<b>435.93</b>	<b>526.28</b>
* includes subcontracting charges	51.72	121.08	168.66	255.02
<b>19. EMPLOYEE BENEFITS EXPENSES</b>				
a. Salaries and allowances (Refer Note no. 25)	1,443.80	1,609.45	4,130.25	3,738.97
b. Contribution to provident and other funds	127.04	103.99	314.57	237.56
c. Staff welfare expenses	93.56	79.89	217.63	158.54
<b>Total</b>	<b>1,664.40</b>	<b>1,793.33</b>	<b>4,662.45</b>	<b>4,135.07</b>
<b>20. OPERATIONS AND OTHER EXPENSES</b>				
a. Rent	34.36	50.11	97.37	93.71
b. Rates and taxes	8.84	7.57	21.13	20.22
c. Travelling and conveyance expenses	76.02	116.25	212.37	255.17
d. Electricity charges	52.52	57.01	146.26	128.09
e. Communication expenses	39.20	57.40	107.32	110.71
f. Repairs and maintenance	51.82	21.39	148.86	95.04
g. Printing and stationery	5.85	6.77	18.59	13.10
h. Auditors remuneration	2.70	4.11	9.05	9.22
i. Legal and professional fees	20.85	27.31	69.15	56.60
j. Advertisement and business promotion	12.21	1.58	30.61	19.30
k. Bank and other charges	1.19	1.82	3.24	3.24
l. Directors' sitting fees	0.14	0.14	0.80	0.38
m. Insurance charges	3.04	7.16	11.67	16.43
n. Debts and advances written off	-	0.22	3.67	1.70
o. Provision for doubtful accounts (Net off write back) **	14.39	8.30	24.83	(4.81)
p. Staff recruitment expenses	19.89	14.06	42.70	28.58
q. Service charges	35.24	38.09	105.08	84.93
r. Miscellaneous expenses	8.05	5.42	21.31	13.21
<b>Total</b>	<b>386.31</b>	<b>424.71</b>	<b>1,074.01</b>	<b>944.82</b>
** net of write back	(2.93)	(1.25)	(9.68)	(11.15)

**21 Contingent Liabilities in respect of**

a) Claims not acknowledged as debt Rs. 28.14 million (31st December, 2014 Rs. 28.14 million).

b) Claims for taxes on income :

i) Where Company is in appeal :

Income tax demands of Rs 9.74 million (31st December 2014 Rs. 8.99 million) have been raised in respect of assessments completed, arising from certain disallowances by the Income tax authorities. The Company has appealed against the Orders and based on merits, expects favourable outcome. Hence, no provision against such demand is considered necessary.

ii) Others :

In an earlier year, the CIT (A) had passed an order in favour of the Company against demand of Rs 23.79 million raised by the Assessing officer for AY 2008-09, which had arisen mainly due to disallowance of foreign exchange loss as business expenses. Against this, the Income Tax Department has filed an appeal with Income Tax Appellate Tribunal and the matter is under progress.

**22 Related party disclosures**

Name of the Related Parties	Country
<p><b>Ultimate Holding company and its Subsidiaries</b>            Baring Private Equity Asia GP V. LP ( ultimate holding company) (control exists)            The Baring Asia Private Equity Fund V, LP            Baring Private Equity Asia V Mauritius Holding (4) Limited            Parel Investment Holdings Limited</p> <p><b>Holding Company</b>            HT Global IT Solutions Holdings Limited (control exists)</p> <p><b>Subsidiaries</b>            Hexaware Technologies Inc.            Hexaware Technologies UK Ltd.            Hexaware Technologies Asia Pacific Pte. Ltd.            Hexaware Technologies GmbH.            Hexaware Technologies Canada Ltd.            Caliber Point Business Solutions Limited <sup>(1)</sup>            FocusFrame Europe BV <sup>(2) &amp; (3)</sup>            Hexaware Technologies, Mexico S. De. R.L. De. C.V.            Risk Technology International Limited            Hexaware Technologies DO Brazil Ltd, Brazil <sup>(4)</sup>            Guangzhou Hexaware Information Technologies Company Limited <sup>(5)</sup></p> <p><b>Key Management Personnel (KMP)</b>            Mr. R. Srikrishna - Executive Director and CEO (KMP from 28th July 2014)            Mr. R. V. Ramanan – Executive Director and President Global Delivery (upto 15th September 2014)            Mr. P. R. Chandrasekar – Vice Chairman and CEO (CEO upto 27th July 2014)</p> <p><b>Others</b>            Ms. Kala Ramanan - Relative of KMP (upto 15th September 2014)</p>	<p>Cayman Island            Cayman Island            Mauritius            Mauritius</p> <p>Mauritius</p> <p>United States of America            United Kingdom            Singapore            Germany            Canada            India            Netherland            Mexico            India            Brazil            China</p>
<p>Notes:            1. Merged with the Company (Refer note 26)            2. Subsidiary of Hexaware Technologies Inc.            3. Closed on 31st March 2015.            4. Subsidiary of Hexaware Technologies UK Ltd            5. Subsidiary formed and received the Business License to do business on 21st May, 2015.</p>	

Details of transactions with party wise details for transactions in excess of 10% of the total transactions

(Rs. Million)

Nature of transactions	Name of the Related party and Relationship	Quarter Ended 30th September		Nine months Ended 30th September	
		2015	2014	2015	2014
Loan Given	<b>Subsidiaries</b> Risk Technology International Limited	5.00	-	22.50	-
Investment in Equity	<b>Subsidiaries</b> Guangzhou Hexaware Information Technologies Company Limited	1.66	-	1.66	-
Software and consultancy income	<b>Subsidiaries</b> Hexaware Technologies Inc. Hexaware Technologies UK Ltd. Others	1,583.08 204.85 144.73	1,079.71 149.02 161.20	4,136.20 493.38 495.18	2,708.06 388.25 566.20
		<b>1,932.66</b>	<b>1,389.93</b>	<b>5,124.76</b>	<b>3,662.51</b>
Software and development expenses - subcontracting charges	<b>Subsidiaries</b> Hexaware Technologies Inc. Others	30.61 -	38.87 -	94.04 -	117.76 0.70
		<b>30.61</b>	<b>38.87</b>	<b>94.04</b>	<b>118.46</b>
Interest income	<b>Subsidiaries</b> Risk Technology International Limited	4.95	-	13.99	-
Dividend income	<b>Subsidiaries</b> Hexaware Technologies Inc.	-	-	-	373.23
Reimbursement of cost to	<b>Subsidiaries</b> Hexaware Technologies Inc. Hexaware Technologies UK Ltd. Others	0.02 8.24 0.12	71.66 3.32 2.01	0.46 21.29 0.36	72.55 14.61 6.08
		<b>8.38</b>	<b>76.99</b>	<b>22.11</b>	<b>93.24</b>
Receiving of services	<b>Remuneration to KMP</b> Mr. R. Srikrishna (including Employee stock option compensation cost for 421,238 options (Previous year Nil)) Mr R. V . Ramanan	13.18 -	0.76 2.43	39.37 -	0.76 11.15
		<b>13.18</b>	<b>3.19</b>	<b>39.37</b>	<b>11.91</b>
Rent expense	<b>Subsidiaries</b> Hexaware Technologies Inc. Ms. Kala Ramanan	- -	0.04 0.23	- -	0.11 0.89
Recovery of cost from	<b>Subsidiaries</b> Hexaware Technologies Inc. Hexaware Technologies UK Ltd. Risk Technology International Ltd Others	131.68 50.81 - 11.99	103.57 53.35 93.73 7.91	326.99 127.70 - 29.39	296.22 131.41 93.73 30.46
		<b>194.48</b>	<b>258.56</b>	<b>484.08</b>	<b>551.82</b>

(Rs. Million)

Particulars	As at	
	30th September 2015	31st December 2014
<b>Outstanding Balances with Subsidiaries</b>		
Investment in equity	1,932.68	1,931.02
Loan given	222.50	200.00
Receivable towards software and consultancy income	2,970.06	2,372.26
Other receivables	283.55	264.78
Payable towards services and reimbursement of cost	1,259.13	1,579.89
<b>Payable to KMP</b>	1.15	22.22

**23 Earnings Per Share (EPS) - The components of basic and diluted earnings per share are as follows :**

Particulars	Quarter Ended 30th September		Nine Months Ended 30th September	
	2015	2014	2015	2014
Net profit after tax (Rs. Million)	943.33	802.09	2,520.15	2,416.15
Weighted average outstanding equity shares considered for basic EPS (Nos)	301,397,685	300,572,933	301,240,241	300,314,192
Basic Earnings per share: (in Rs.)	<b>3.13</b>	<b>2.67</b>	<b>8.37</b>	<b>8.05</b>
Weighted average outstanding equity shares considered for basic EPS (Nos)	301,397,685	300,572,933	301,240,241	300,314,192
Add : Dilutive impact of employee stock options ( Nos)	2,929,230	1,313,328	3,051,899	1,488,343
Weighted average outstanding equity shares considered for diluted EPS (Nos)	304,326,915	301,886,261	304,292,140	301,802,535
Diluted Earnings per share: (in Rs.)	<b>3.10</b>	<b>2.66</b>	<b>8.28</b>	<b>8.01</b>

**24 Derivative Instruments**

Forward exchange contracts to Sell US Dollar 147.30 million and Euro 5.70 million are outstanding as of 30th September, 2015 (31st December 2014 US Dollar 183.86 million and Euro 2.74 million ).

Fair value net loss of the derivative instruments identified as cash flow hedges is Rs. 77.38 million as at 30th September, 2015 (31st December 2014 Rs.76.73 million ).

Net loss of Rs.79.53 million recognized in Hedging Reserve as at 30th September 2015 is expected to be recycled to Statement of Profit and Loss over two years.

**25 "Provision others" represents provisions towards expenditure relating to employee benefit obligations on contract acquisition, the outflow for which is expected in the next year.**

(Rs. Million)

Particulars	Period Ended	Year Ended
	30th September 2015	31st December 2014
Provision at the beginning of the period/year	34.46	133.01
Provision made during the period/year	3.82	-
Paid /adjusted during the period/year	*(34.34)	*(98.55)
Provision at the end of the period/year	3.94	34.46

\*Adjusted in employment expenses Rs 3.42 million (Previous year Rs 89.65 million.)

- 26** Caliber Point Business Solutions Limited (CP) (amalgamating company), a wholly owned subsidiary, engaged in Business Process Management services, has been amalgamated with the Company. The Scheme of Amalgamation ('the Scheme') was sanctioned by the Honourable High Court of Judicature at Bombay vide its Order dated 10th October 2014, the appointed date of merger being 1st April 2013. The impact of the merger was given in the interim condensed financials for the quarter and period ended 30th September 2014.

In accordance with the said Scheme and as per the approval of the Honourable High Court :

- a) The assets, liabilities, rights and obligations of the erstwhile CP have been transferred to and vested with the Company with effect from 1st April 2013;
- b) All assets and liabilities including reserves have been recorded at their respective book values, after eliminating inter-company balances, in accordance with 'Pooling of interest method of accounting as per Accounting Standard 14 as notified under section 211 (3C) of the Companies Act 1956.
- c) The share capital of CP of Rs. 117.80 million has been adjusted against the investment in the books of the Company of Rs. 158.92 million and the resultant difference of Rs. 41.12 million has been debited to the General Reserve.
- d) The Statement of Profit and Loss for the quarter ended 30th September, 2014 include results of CP for the period from 1st January, 2014 to 30th September, 2014. Consequently, figures for the current quarter ended 30th September, 2015 are not strictly comparable with the figures for the quarter ended 30th September, 2014.

**27 Segments:**

As per Accounting Standard 17 on "Segment Reporting", segment information has been provided under the notes to the Condensed Consolidated Financial Statements.

- 28** Hitherto, the Company accounted for stock options granted to employees under the intrinsic value method. Subsequent to 1st April, 2015, the Company granted 8,415,924 Restricted Stock Units (RSU) to the employees of the Company and its subsidiaries. The Company has recognised employee stock option compensation cost for such RSU using fair value method, being the recommended method of valuation by the Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The difference between the fair value and intrinsic value is not material to the profit for the period.

- 29** Previous period's / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's / year's classification/disclosure.

**For and on behalf of the board**

**R. Srikrishna**  
(CEO & Executive Director)

**Dileep Choksi**  
(Director)

Place : Mumbai  
Date : 3rd November, 2015