

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

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

### Report on the Condensed Interim Financial Statements

1. We have audited the accompanying condensed interim financial statements of **HEXAWARE TECHNOLOGIES LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the quarter and nine months ended September 30, 2012, the Condensed Cash Flow Statement for the nine months ended September 30, 2012 and Selected Explanatory Notes. The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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:
  - (a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;
  - (b) in the case of the Condensed Statement of Profit and Loss, of the profit of the Company for the quarter and nine months ended on that date, and
  - (c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the nine months ended on that date.

For Deloitte Haskins & Sells  
Chartered Accountant  
[Firm Registration No.: 117366W]

Sd/-  
R. D. Kamat  
Partner  
Membership No. 36822

MUMBAI, November 1, 2012

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## CONDENSED BALANCE SHEET AS AT 30TH SEPTEMBER 2012

(Rs. Million)

Particulars	Note No.	As at 30th September' 12	As at 31st December' 11
<b>I. EQUITY AND LIABILITIES</b>			
<b>Share holders' funds :</b>			
a. Share capital	"2"	592.68	586.72
b. Reserves and surplus	"3"	9,325.01	7,998.70
		-----	-----
		9,917.69	8,585.42
<b>Share Application Money pending allotment</b>	"2"	0.25	-
<b>Non-current liabilities :</b>			
a. Deferred tax liabilities (net)	"4"	83.97	-
b. Other Long term liabilities	"5"	54.44	122.97
c. Long-term provisions	"6"	223.10	186.64
		-----	-----
		361.51	309.61
<b>Current liabilities :</b>			
a. Trade payables		1,304.53	1,215.98
b. Other current liabilities	"7"	630.23	1,398.45
c. Short term provisions	"8"	741.64	890.59
		-----	-----
		2,676.40	3,505.02
		-----	-----
<b>Total</b>		<b>12,955.85</b>	<b>12,400.05</b>
		=====	=====
<b>II. ASSETS</b>			
<b>Non-current assets :</b>			
a. Fixed assets	"9"		
i. Tangible assets		2,358.60	2,084.25
ii. Intangible assets		76.78	40.26
iii. Capital work-in-progress		784.98	798.67
		-----	-----
		3,220.36	2,923.18
b. Non-current investments	"10"	2,014.08	2,069.67
c. Long-term loans and advances	"11"	949.52	820.13
d. Other non-current assets	"12"	164.59	651.83
		-----	-----
		6,348.55	6,464.81
<b>Current assets :</b>			
a. Current Investments	"13"	1,103.20	228.77
b. Trade receivables	"14"	2,436.47	1,964.28
c. Cash and cash equivalents	"15"	1,960.72	2,907.29
d. Short-term loans and advances	"16"	797.44	625.72
e. Other current assets	"17"	309.47	209.18
		-----	-----
		6,607.30	5,935.24
		-----	-----
<b>Total</b>		<b>12,955.85</b>	<b>12,400.05</b>
		=====	=====

### III. NOTES FORMING PART OF FINANCIAL STATEMENTS "1 to 30"

In terms of our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the board**

Sd/-  
**R. D. Kamat**  
Partner  
Place : Mumbai  
Date : 1st November, 2012

Sd/-  
**R.V. Ramanan**  
(Executive Director and President Global delivery)

Sd/-  
**Shailesh Haribhakti**  
(Director)

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

(Rs. Million)

Particulars	Note No.	For the quarter ended		For the 9 months ended	
		30th September'12	30th September'11	30th September'12	30th September'11
<b>I. INCOME</b>					
a. Revenue from operations		2,350.15	1,733.61	6,923.57	4,690.88
b. Other income	"18"	95.06	119.76	363.93	324.15
		<u>2,445.21</u>	<u>1,853.37</u>	<u>7,287.50</u>	<u>5,015.03</u>
<b>II. EXPENSES</b>					
a. Software and development expenses	"19"	147.96	133.23	437.03	485.68
b. Employee benefits expense	"20"	1,102.30	871.82	3,217.77	2,387.57
c. Operation and other expenses	"21"	227.64	195.17	648.84	567.48
d. Exchange rate difference (net)		21.86	(41.55)	35.15	(268.32)
e. Finance costs	"22"	0.01	1.93	0.78	4.32
f. Depreciation and amortisation expense	"9"	73.98	48.96	194.51	139.76
		<u>1,573.75</u>	<u>1,209.56</u>	<u>4,534.08</u>	<u>3,316.49</u>
<b>Profit before tax</b>		871.46	643.81	2,753.42	1,698.54
<b>Tax expense</b>					
a. Income tax - current (net of MAT credit entitlement)		164.01	89.14	379.46	162.44
(includes for previous year Rs. 22.31 million and Rs. 23.37 million in quarter and nine months ended 30th September, 2012 (Nil))					
b. Income tax - deferred		(5.51)	-	83.97	-
		<u>158.50</u>	<u>89.14</u>	<u>463.43</u>	<u>162.44</u>
<b>Profit for the year</b>		712.96	554.67	2,289.99	1,536.10
<b>Earnings per share (in Rupees)</b>					
	"26"				
Basic		2.41	1.89	7.76	5.26
Diluted		2.37	1.85	7.61	5.14
Face value of equity share (in Rupees)		2.00	2.00	2.00	2.00

### III. NOTES FORMING PART OF FINANCIAL STATEMENTS "1 to 30"

In terms of our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the board**

Sd/-  
**R. D. Kamat**  
Partner

Place : Mumbai  
Date : 1st November, 2012

Sd/-  
**R.V. Ramanan**  
(Executive Director and President Global delivery)

Sd/-  
**Shailesh Haribhakti**  
(Director)

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## CASH FLOW STATEMENT FOR PERIOD ENDED 30TH SEPTEMBER, 2012

	Nine months ended September 2012	Nine months ended September 2011
<b>A Cash flow from operating activities</b>		
Net Profit before tax	2,753.42	1,699.29
<b>Adjustments for :</b>		
Depreciation and amortization	194.51	139.76
Employees share based payment cost	0.53	2.09
Dividend from current investments	(32.66)	(66.68)
Dividend from subsidiary company	(46.67)	-
Interest income	(221.46)	(213.67)
Provision for doubtful accounts (net)	(6.35)	(0.22)
(Profit) / Loss on sale of investments (net)	(0.01)	0.39
Bad Debts written off	6.73	1.16
Deferred cancellation (loss) / gain relating to roll-over cash flow hedges	(396.91)	53.40
Loss \ (Profit) on sale of fixed assets (net)	0.85	(0.02)
Interest expense	0.78	4.32
Exchange rate difference	0.91	47.57
<b>Operating Profit before working capital changes</b>	<b>2,253.67</b>	<b>1,667.39</b>
<b>Adjustments for :</b>		
Trade and other receivables	(866.83)	(1,298.00)
Trade and other payables	290.45	809.73
<b>Cash generated from operations</b>	<b>1,677.29</b>	<b>1,179.12</b>
Direct taxes paid (net)	(471.12)	(233.72)
<b>Net cash from operating activities</b>	<b>1,206.17</b>	<b>945.40</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(511.92)	(435.82)
Proceeds from reduction of trade investment	64.23	-
Purchase of other investments	(9,631.39)	(10,322.14)
Interest received (net of tax Rs. 43.41 million (Rs. 42.42 million))	144.95	94.02
Purchase of trade investment	(8.64)	-
Proceeds from sale / redemption of investments	8,756.97	9,988.73
Dividend from subsidiary company (net of tax Rs. 9.33 million (Rs. Nil))	37.34	-
Dividend from current investments	32.66	66.68
Proceeds from sale of fixed assets	0.19	0.65
<b>Net cash used in investing activities</b>	<b>(1,115.61)</b>	<b>(607.88)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of shares	53.90	30.48
Share application money received	0.25	0.09
Interest paid	(0.78)	(4.32)
Dividend paid (including corporate dividend tax)	(1,547.09)	(917.13)
Proceeds from loan (short term)	-	1,125.41
Repayment of loan (short term)	-	(659.88)
<b>Net cash used in financing activities</b>	<b>(1,493.72)</b>	<b>(425.35)</b>
<b>Net Decrease in cash and cash equivalents</b>	<b>(1,403.16)</b>	<b>(87.83)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,363.31</b>	<b>3,646.74</b>
<b>Cash and cash equivalents at the end of the year (Refer Note No. 1 below)</b>	<b>1,960.15</b>	<b>3,558.91</b>
<b>Notes:</b>		
1 Components of cash and cash equivalents comprise the following :		
Cash and Bank Balances (Refer Note no. 15 of notes forming part of financial statements)	2,107.33	3,590.50
Less : Unrealised gain/(loss) on foreign currency cash and cash equivalents	0.57	0.82
Less : Restricted bank balances	146.61	30.77
<b>Total Cash and Cash equivalents</b>	<b>1,960.15</b>	<b>3,558.91</b>
2 Purchase of Fixed Assets (including movements in Capital work in progress) are considered as a part of investing activities.		
3 The Previous period's figures have been regrouped wherever necessary.		

Notes 1 to 30 forms part of financial statements

In terms of our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-  
**R. D. Kamat**  
Partner  
Place : Mumbai  
Date : 1st November, 2012

**For and on behalf of the Board**

Sd/-  
**R.V. Ramanan**  
(Executive Director and President Global delivery)

Sd/-  
**Shailesh Haribhakti**  
(Director)

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## Explanatory Notes to the 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 outsourcing. Hexaware provides multiple service offerings to its clients across various industries comprising airlines and transport, banking, financial services, insurance and manufacturing sector mainly in enterprise resource planning solutions. The various service offerings comprise application development and management, enterprise package solutions, infrastructure management, product engineering 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 2011. These interim financial statements have been prepared by the management considering the requirements of Accounting Standard 25 on "Interim financial reporting".

### 2. Share Capital

	As at 30th September 2012		(Rs. Million) As at 31st December 2011	
<b>A. Authorised</b>				
325,000,000 Equity shares of Rs. 2/- each	650.00		650.00	
1,100,000 Series "A" Preference shares of Rs. 1421/- each (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.)	1,563.10		1,563.10	
<b>Total</b>	<u>2,213.10</u>		<u>2,213.10</u>	
<b>B. Issued, subscribed and paid-up capital</b>				
Equity Shares of Rs. 2/- each fully paid.	592.68		586.72	
<b>Total</b>	<u>592.68</u>		<u>586.72</u>	
<b>C. Reconciliation of number of shares</b>				
	As at 30th September 2012		As at 31st December 2011	
<b>Particulars</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
Shares outstanding at the beginning of the period	293,358,428	586.72	145,200,980	290.40
Shares Issued during the period	2,982,040	5.96	148,157,448	296.32
Shares outstanding at the end of the period	296,340,468	592.68	293,358,428	586.72

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## D. Details of shares held by shareholders holding more than 5% shares

Name of Shareholder	As at 30th September 2012		As at 31st December 2011	
	Nos. of Shares held	% of holding	Nos. of Shares held	% of holding
i. Elder Infosystems Pvt Ltd ( formerly Elder Hides And Leather Pvt Ltd)	52,154,456	17.60	52,154,456	17.78
ii. Elder Venture LLP	30,030,000	10.13	29,250,000	9.97
iii. Dali Limited	28,627,294	9.66	28,627,294	9.76
iv. GA Global Investments Ltd	21,139,580	7.13	21,139,580	7.21
v. JP Morgan Chase Bank, NA	21,111,400	7.12	21,111,400	7.20
vi. FID Funds (Mauritius) Limited	18,530,461	6.25	25,961,668	8.85

## E. Shares allotted as fully paid up by way of bonus shares during five years preceding the period end

The Company allotted 145,545,781 equity shares as fully paid up bonus shares by utilisation of Securities premium reserve on 2nd March, 2011 pursuant to shareholder's resolution passed in Extra Ordinary General Meeting held on 15th February, 2011

## F. Rights, preferences and restrictions attached to equity shares

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 preferential amounts, in proportion to their shareholding.

## G. Shares reserved for issue under options

The Company has granted employee stock options under ESOP 2002, 2007 and 2008 scheme. Each option entitles the holder to one equity shares of Rs. 2 each. 6,705,149 options were outstanding as on 30th September 2012.

## H. Shares application money

Share application money of Rs 0.25 million has been received against exercise of ESOPs by employees, shares are being allotted subsequent to the balance sheet date.

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 3. Reserves and Surplus

	(Rs. Million)	
	As at 30th September 2012	As at 31st December 2011
<b>A. Securities premium account</b>		
Opening balance	4,521.83	4,773.61
Add : Received during the year	47.94	33.17
Add : Transfer from employee stock option outstanding	3.46	6.14
Less : Transfer to share capital account consequent to issue of bonus shares	-	291.09
Closing balance	4,573.23	4,521.83
<b>B. Employee stock options outstanding</b>		
Opening balance	8.32	15.79
Less : Reversal on forfeiture of stock options granted	0.45	1.33
Less : Transfer to securities premium account on exercise of stock option	3.46	6.14
	4.41	8.32
Less : Deferred employee compensation expenses	0.45	1.44
Closing balance	3.96	6.88
<b>C. General reserve</b>		
Opening balance	1,242.87	942.87
Add : Transfer from statement of profit and loss	-	300.00
Closing balance	1,242.87	1,242.87
<b>D. Hedging reserve</b>		
Opening balance	(904.93)	249.79
Add : Losses / (Gains) transferred to income statement on occurrence of forecasted hedge transaction	405.90	(70.81)
Add : Changes in the fair value of the effective portion of outstanding cash flow derivative	31.27	(1,083.91)
Closing balance	(467.76)	(904.93)
<b>E. Amalgamation reserve</b>		
Opening / Closing balance	2.88	2.88
<b>F. Balance in statement of profit and Loss</b>		
Opening balance	3,129.17	2,471.69
Add : Profit for the period	2,289.99	2,319.81
	5,419.16	4,791.50
Less : Appropriations		
Interim dividend - equity	1,247.03	732.81
Proposed final dividend - equity	-	440.04
Tax on dividend	202.30	189.48
Transfer to general reserve	-	300.00
Closing balance	3,969.83	3,129.17
<b>Total</b>	<b>9,325.01</b>	<b>7,998.70</b>

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 4. Deferred Tax Liabilities

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
<b>Deferred Tax Liabilities:</b>		(Refer note below)
a. Depreciation	54.88	-
b. Deferred Cancellation loss relating to roll-over of Cash flow hedges	100.37	-
Less: Deferred Tax Asset		
a. Employee Benefits	49.01	-
b. Provision Others (Refer Note no 28)	22.27	-
<b>Total</b>	83.97	-
<p>Note :</p> <p>Net deferred tax asset has not been recognised as at December 31, 2011 considering the requirement of Accounting Standard (AS) 22 relating to reasonable / virtual certainty</p>		

## 5. Other Long Term Liabilities

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
Other liabilities		
a. Deposit received for leased premises	9.00	9.00
b. Capital creditors	12.60	-
c. Liability for mark to market losses on derivative contracts	26.34	113.97
d. For Expenses	6.50	-
<b>Total</b>	54.44	122.97

## 6. Long Term Provisions

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
For employee benefits	223.10	186.64
<b>Total</b>	223.10	186.64



# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 7. Other Current Liabilities

	<b>As at 30th September 2012</b>	(Rs. Million) <b>As at 31st December 2011</b>
a. Unearned revenues	19.60	43.60
b. Equity share application money refundable	-	0.29
c. Unclaimed dividend *	40.55	28.89
d. Other payables		
i. Employee related liability	107.29	113.21
ii. Statutory liabilities	101.51	85.60
iii. Deposit received for leased premises	19.32	19.32
iv. Capital creditors	155.01	180.72
v. For expenses	186.95	242.24
vi. Liability for mark to market losses on derivative contracts	-	684.58
<b>Total</b>	<b>630.23</b>	<b>1,398.45</b>
<p>* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.</p>		

## 8. Short Term Provisions

	<b>As at 30th September 2012</b>	(Rs. Million) <b>As at 31st December 2011</b>
a. For employe benefits	41.16	41.69
b. Provision others		
i. Provision for Proposed dividend	355.61	440.04
ii. Tax on proposed dividend	57.69	71.39
iii. Others (Refer Note 28)	227.22	279.46
iv. For tax (net of advance tax)	59.96	58.01
<b>Total</b>	<b>741.64</b>	<b>890.59</b>

**Hexaware Technologies Limited**  
 Period from 1st January 2012 to 30th September 2012

**9. Fixed Assets**

(Rs. Million)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.01.2012	Additions	Deductions / Adjustments	As at 30.09.2012	As at 01.01.2012	For The Year	Deductions / Adjustments	As at 30.09.2012	As at 30.09.2012	As at 31.12.2011
<b>a) Tangible Assets</b>										
Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
Land - Leasehold	330.44	-	-	330.44	17.08	2.58	-	19.66	310.78	313.36
Building	1,246.61	121.41	-	1,368.02	59.49	14.16	-	73.65	1,294.37	1,187.12
Plant & Machinery	887.55	144.27	0.86	1,030.96	643.15	67.43	0.86	709.72	321.24	244.40
Office Equipments	415.52	83.94	0.63	498.83	197.32	57.79	0.61	254.50	244.33	218.20
Furniture and Fixtures	344.79	77.23	(0.42)	422.44	226.00	23.84	(1.44)	251.28	171.16	118.79
Vehicles	28.60	-	-	28.60	26.37	0.53	-	26.90	1.70	2.23
Improvement to Leased Premises	2.67	17.41	2.67	17.41	2.67	2.54	2.67	2.54	14.87	-
<b>Total</b>	<b>3,256.33</b>	<b>444.26</b>	<b>3.74</b>	<b>3,696.85</b>	<b>1,172.08</b>	<b>168.87</b>	<b>2.70</b>	<b>1,338.25</b>	<b>2,358.60</b>	<b>2,084.25</b>
<b>Previous year</b>	<b>2,514.62</b>	<b>833.40</b>	<b>91.69</b>	<b>3,256.33</b>	<b>1,091.64</b>	<b>170.61</b>	<b>90.17</b>	<b>1,172.08</b>	<b>2,084.25</b>	
<b>b) Intangible Assets</b>										
Software	109.83	62.16	(0.86)	172.85	69.57	25.64	(0.86)	96.07	76.78	40.26
<b>Total</b>	<b>109.83</b>	<b>62.16</b>	<b>(0.86)</b>	<b>172.85</b>	<b>69.57</b>	<b>25.64</b>	<b>(0.86)</b>	<b>96.07</b>	<b>76.78</b>	<b>40.26</b>
<b>Previous year</b>	<b>82.47</b>	<b>27.36</b>	<b>-</b>	<b>109.83</b>	<b>51.21</b>	<b>18.36</b>	<b>-</b>	<b>69.57</b>	<b>40.26</b>	
<b>c) Capital work-in-progress</b>									784.98	798.67
<b>Grand total</b>	<b>3,366.16</b>	<b>506.42</b>	<b>2.88</b>	<b>3,869.70</b>	<b>1,241.65</b>	<b>194.51</b>	<b>1.84</b>	<b>1,434.32</b>	<b>3,220.36</b>	<b>2,923.18</b>

**Notes:**

- a) Land - Leasehold includes Rs. 285.32 million and Rs. 16.36 million (Previous Year Rs. 14.10 million) being lease premium and accumulated amortization in respect of leasehold land allotted to the Company at Pune and Nagpur for which final lease agreement is being executed.
- b) Plant and machinery includes Computer systems.

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 10. Non Current Investments

	As at 30th September 2012	( Rs Million) As at 31st December 2011
Trade investments (unquoted) (at cost) - in subsidiary companies		
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 ( 3,067,000) shares of 1 GBP each fully paid up in Hexaware Technologies UK Ltd.	154.64	218.87
c. 5,00,000 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. 11,780,000 shares of Rs. 10/- each fully paid up in Caliber Point Business Solutions Limited	158.92	158.92
g. 1,000,000 shares of Rs. 10/- each fully paid up in Risk Technology International Limited	8.50	8.50
h. 1 participation share of no par value in Hexaware Technologies (Mexico) S De R.L. De C.V.	29.42	29.42
i. 50,000 shares of Rs. 10/- each fully paid up in Rampran Infotech Limited	0.50	0.50
<b>Total (A)</b>	2,005.44	2,069.67
Trade investments (unquoted) (at cost) - in others		
454,636 (Nil) equity shares of Rs. 10/- each fully paid up in Beta Wind Farm Pvt.Ltd.	8.64	-
<b>Total (B)</b>	8.64	-
<b>Total (A + B)</b>	2,014.08	2,069.67
i) Aggregate value of unquoted investments	2,014.08	2,069.67

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 11. Long Term Loans and Advances (Unsecured)

	<b>As at 30th September 2012</b>	<b>(Rs. Million) As at 31st December 2011</b>
a. Considered good		
i. Capital Advances	5.03	14.71
ii. Security Deposits	59.67	47.36
iii. Loans and advances to related parties (refer note No.25)	30.00	82.50
vi. Advance Income Tax (net of provision for tax)	143.46	127.76
v. Advance Fringe Benefit Tax (net of provision for tax)	4.36	4.36
vi. MAT Credit Entitlement (refer Note No. 24)	657.32	526.66
vii. Other Loans and advances	49.68	16.78
	949.52	820.13
<b>Total</b>	949.52	820.13

## 12. Other Non Current Assets

	<b>As at 30th September 2012</b>	<b>(Rs. Million) As at 31st December 2011</b>
a. Interest accrued on deposits	1.20	1.10
b. Unbilled services	16.78	47.55
c. Non current bank balances		
i. Restricted bank balances	146.61	145.68
ii. Bank deposit accounts with more than 12 months maturity from the date of balance sheet	-	457.50
	164.59	651.83
<b>Total</b>	164.59	651.83

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 13. Current Investments

	<u>As at 30th September 2012</u>	(Rs. Million) <u>As at 31st December 2011</u>
<b>Non Trade Investments</b> (Unquoted) (At cost or fair value whichever is lower)		
Investments in Mutual funds	1,103.20	228.77
<b>Total</b>	<u>1,103.20</u>	<u>228.77</u>
Aggregate value of unquoted investments.	1,103.20	228.77

## 14. Trade Receivables (Unsecured)

	<u>As at 30th September 2012</u>	(Rs. Million) <u>As at 31st December 2011</u>
a. Over six months from the due date of payment		
Considered good	-	0.99
Considered doubtful	0.80	0.76
	<u>0.80</u>	<u>1.75</u>
Less : Provision for doubtful accounts	0.80	0.76
	-	0.99
b. Others		
Considered good	2,436.47	1,963.29
Considered doubtful	2.85	2.45
	<u>2,439.32</u>	<u>1,965.74</u>
Less : Provision for doubtful accounts	2.85	2.45
	2,436.47	1,963.29
<b>Total</b>	<u>2,436.47</u>	<u>1,964.28</u>

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 15. Cash and Cash Equivalents

	<u>As at 30th September 2012</u>	<u>(Rs. Million) As at 31st December 2011</u>
a. Balances with banks		
i. In current accounts	168.25	92.20
ii. Cash in hand	0.06	-
iii. Bank deposits accounts with less than 3 months maturity	<u>34.91</u>	<u>40.09</u>
	203.22	132.29
b. Other bank balances		
i. Earmarked balances with banks	99.50	107.00
ii. Unclaimed dividend account	40.67	29.37
iii. Margin money	6.44	9.31
iv. Bank deposit accounts with more than 12 months maturity	<u>1,757.50</u>	<u>3,232.50</u>
	1,904.11	3,378.18
	<u>2,107.33</u>	<u>3,510.47</u>
Bank balances reclassified as non current assets		
Less : Restricted bank balances	(146.61)	(145.68)
Less : Bank deposit accounts with more than 12 months maturity from the date of balance sheet	<u>-</u>	<u>(457.50)</u>
	(146.61)	(603.18)
<b>Total</b>	<u><u>1,960.72</u></u>	<u><u>2,907.29</u></u>

## Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

### 16. Short Term Loans and Advances (Unsecured)

	<u>As at 30th September 2012</u>	<u>(Rs. Million) As at 31st December 2011</u>
a. Considered good		
i. Security deposits	62.00	124.68
ii. Loans and advances to related parties (refer Note No. 25)	231.58	258.60
iii. Other loans and advances	284.41	242.44
iv. Receivable on account of mark to market gains on derivative contracts	<u>219.45</u>	<u>-</u>
	797.44	625.72
b. Considered doubtful		
Other loans and advances	31.23	38.01
Less : Provision for doubtful deposits / advances	<u>31.23</u>	<u>38.01</u>
	-	-
<b>Total</b>	<u>797.44</u>	<u>625.72</u>

### 17. Other Current Assets

	<u>As at 30th September 2012</u>	<u>(Rs. Million) As at 31st December 2011</u>
a. Interest accrued on deposits	180.78	146.57
b. Unbilled services	128.69	62.61
<b>Total</b>	<u>309.47</u>	<u>209.18</u>

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 18. Other Income

	(Rs. Million)			
	For the quarter ended		For the 9 month ended	
	30th September		30th September	
	2012	2011	2012	2011
a. Dividend from current investments	11.14	14.24	32.66	66.68
b. Dividend from subsidiary company	-	-	46.67	-
c. Profit / (Loss) on sale of current investments (net)	0.01	(0.05)	0.01	(0.39)
d. Interest income	60.88	89.07	221.46	213.67
e. Excess provisions written back	-	-	-	0.04
f. Profit on sale of fixed assets (net)	-	-	0.17	0.03
g. Rental income	17.95	14.59	52.95	39.46
h. Miscellaneous income	5.08	1.91	10.01	4.66
<b>Total</b>	<b>95.06</b>	<b>119.76</b>	<b>363.93</b>	<b>324.15</b>

## 19. Software and Development Expenses

	(Rs. Million)			
	For the quarter ended		For the 9 months ended	
	30th September		30th September	
	2012	2011	2012	2011
a. Consultant travel and related expenses	55.65	49.80	172.04	156.92
b. Software expenses*	92.31	83.43	264.99	328.76
<b>Total</b>	<b>147.96</b>	<b>133.23</b>	<b>437.03</b>	<b>485.68</b>
* includes subcontracting charges	60.11	46.05	176.04	190.92

## 20. Employee Benefits Expenses

	(Rs. Million)			
	For the quarter ended		For the 9 months ended	
	30th September		30th September	
	2012	2011	2012	2011
a. Salaries and allowances	1,011.57	788.43	2,937.80	2,167.73
b. Contribution to provident and other funds	53.81	59.60	184.85	156.00
c. Staff welfare expenses	37.15	23.31	94.59	61.75
d. Employee stock option compensation cost	(0.23)	0.48	0.53	2.09
<b>Total</b>	<b>1,102.30</b>	<b>871.82</b>	<b>3,217.77</b>	<b>2,387.57</b>



# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 21. Operations and Other Expenses

	(Rs. Million)			
	For the quarter ended		For the 9 months ended	
	30th September		30th September	
	2012	2011	2012	2011
a. Rent	22.01	36.02	70.00	99.74
b. Rates and taxes	4.38	3.35	16.22	8.14
c. Travelling and conveyance expenses	54.07	38.56	147.51	106.78
d. Electricity charges	35.08	27.63	104.05	79.32
e. Communication expenses	18.54	22.42	56.35	58.10
f. Repairs and maintenance	28.71	19.55	69.06	50.97
g. Printing and stationery	2.85	2.98	10.98	10.36
h. Auditors remuneration	2.49	2.16	7.43	5.76
i. Legal and professional fees	11.88	12.20	38.57	40.18
j. Advertisement and publicity	0.04	0.04	0.17	0.22
k. Seminar and conference expenses	8.44	7.22	19.38	17.57
l. Bank and other charges	0.93	0.90	3.16	2.21
m. Directors' sitting fees	0.30	0.32	1.04	1.86
n. Insurance premium	4.45	4.96	13.16	10.37
o. Loss on sale of fixed assets (net) /assets written off	1.02	0.01	1.02	0.01
p. Donation	-	0.01	-	0.02
q. Debts and advances written off (Net of recoveries) *	4.68	0.05	6.73	1.16
r. Provision for doubtful accounts (Net of write back) **	(1.44)	(14.30)	(6.35)	(0.22)
s. Staff recruitment expenses	5.83	12.02	23.98	20.90
t. Service charges	19.96	15.44	56.46	43.97
u. Miscellaneous expenses	3.42	3.63	9.92	10.06
Note : Miscellaneous expenses includes stamp duty & filing fees, hiring charges, registrar and share transfer expenses, membership and subscription, carriage and forwarding, board meeting expenses, AGM expenses etc.				
<b>Total</b>	227.64	195.17	648.84	567.48
* Net of recoveries Rs.	(0.07)	(0.04)	(0.07)	(0.04)
** Net of write back Rs.	(3.80)	(0.04)	(9.59)	(4.55)

## 22. Finance Costs

	(Rs. Million)			
	For the quarter ended		For the 9 month ended	
	30th September		30th September	
	2012	2011	2012	2011
a. Interest others (Includes working capital loan)	0.01	1.93	0.78	4.32
<b>Total</b>	0.01	1.93	0.78	4.32

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 23. Contingent Liabilities in respect of

- a) Claims not acknowledged as debt to Rs. 28.14 Million (December 31, 2011 Rs 28.14 Million).
- b) Income Taxes :

The Income tax assessment of the Company for Assessment year 2008-09 was completed during the year ended December 31, 2011 and demand aggregating to Rs 37.81 Million (December 31, 2011 Rs 37.81 Million) was made on the Company, mainly on account of disallowance of foreign exchange loss as business expenses. The Company has filed an appeal against such order with the Appellate authority and is hopeful of getting a favourable decision. Accordingly, no provision is considered necessary at this stage.

24. Considering the future profitability and taxable positions in the subsequent years, the Company has recognised the 'MAT Credit entitlement' as an asset by crediting the profit and loss account for an equivalent amount and disclosed under 'Loans and advances' (Note 11) in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by ICAI.

## 25. Related party disclosures

The Company has entered into transactions with following related parties

Sr.No.	Name of the Related Parties	Country
	<b>Subsidiaries</b>	
1	Hexaware Technologies Inc.	United States of America
2	Hexaware Technologies UK Ltd.	United Kingdom
3	Hexaware Technologies Asia Pacific Pte. Ltd.	Singapore
4	Hexaware Technologies GmbH.	Germany
5	Hexaware Technologies Canada Ltd.	Canada
6	Caliber Point Business Solutions Ltd.	India
7	Focus Frame Europe BV	Netherland
8	Hexaware Technologies, Mexico S.De.R.L.De.C.V.	Mexico
9	Hexaware Technologies SRL, Argentina. *	Argentina
9	Risk Technology International Limited.	India
10	Hexaware Technologies DO Brazil Ltd, Brazil #	Brazil
11	Rampran Infotech Ltd. **	India
	<b>Key Management Personnel (KMP)</b>	
12	Mr. Atul K Nishar - Chairman	
13	Mr. R. V. Ramanan - Executive Director and President Global Delivery	
14	Mr. P. R. Chandrasekar - Vice Chairman and CEO	
	<b>Others</b>	
15	Hexaware Technologies Employee Stock Option Trust	
<p><b>Note :</b></p> <ol style="list-style-type: none"> <li>a. # Held by nominees of Hexaware Technologies UK Ltd.</li> <li>b. * Company name struck off from General Justice Bureau of Argentina w.e.f. 10th February 2012</li> <li>c. ** Application filed with Registrar of Companies as on 28th September, 2012 for cancellation of name of the Company.</li> </ol>		

**Hexaware Technologies Limited**  
 Period from 1st January 2012 to 30th September 2012

Transactions with parties are :

Particulars	Name of the Related party and Nature of Relationship	Quarter ended September 30th		9 month period ended September 30th	
		2012	2011	2012	2011
<b>Loans Repaid during the year</b>	<b>Subsidiaries</b>				
	Risk Technology International Limited	-	-	-	4.00
	Caliber Point Business Solutions Ltd	42.50	-	52.50	-
		42.50	-	52.50	4.00
<b>Investment in Equity</b>	<b>Capital Reduction in Subsidiary</b>				
	Hexaware Technologies UK Ltd.	-	-	64.23	-
<b>Software and Consultancy Income</b>	<b>Subsidiaries</b>				
	Hexaware Technologies Inc	899.50	717.59	2,633.54	1,879.08
	Hexaware Technologies GmbH.	150.04	135.71	495.26	284.81
	Others	113.83	62.49	398.80	226.13
		1,163.37	915.79	3,527.60	2,390.02
<b>Software and development expenses-subcontracting charges</b>	<b>Subsidiaries</b>				
	Hexaware Technologies Inc	34.80	37.00	98.53	166.95
	Hexaware Technologies Canada Ltd	-	-	-	-
	Others	2.30	3.04	10.83	8.34
		37.10	40.04	109.36	175.29
<b>Interest and Other Income</b>	<b>Subsidiaries</b>				
	Risk Technology International Limited	-	-	-	0.20
	Caliber Point Business Solutions Ltd	1.25	-	4.08	-
		1.25	-	4.08	0.20
<b>Dividend Income</b>	<b>Subsidiaries</b>				
	Hexaware Technologies UK Ltd.	-	-	46.67	-
<b>Reimbursement of cost to</b>	<b>Subsidiaries</b>				
	Hexaware Technologies Inc	3.75	-	14.95	-
	Hexaware Technologies UK Ltd.	3.07	9.95	15.77	31.01
	Hexaware Technologies Asia Pacific Pte Ltd	3.57	7.60	14.16	27.05
	Others	-	3.71	-	9.80
		10.39	21.26	44.88	67.86
<b>Receiving of Services</b>	<b>Remuneration to Key Management Personnel</b>				
	R.V. Ramanan	2.35	10.66	24.48	17.29
	<b>Subsidiaries</b>				
Caliber Point Business Solutions Ltd	1.56	1.01	3.52	3.88	
<b>Recovery of cost / advances from</b>	<b>Subsidiaries</b>				
	Hexaware Technologies Inc	109.99	70.81	262.75	222.05
	Hexaware Technologies UK Ltd	18.44	11.30	56.11	23.23
	Others	8.29	6.54	20.11	18.77
		136.72	88.65	338.97	264.05

Note: For transactions in excess of 10% of the total related party transactions partywise details provided.

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## Outstanding Balances with Subsidiaries:

(Rs. Million)

Particulars	As at	
	September 30th	December 31st
	2012	2011
Loans Given	30.00	82.50
Investment in Equity	2,069.67	2,069.67
Receivable towards software and consultancy income	1,606.12	1,239.98
Advances	231.58	258.60
Payable towards services and reimbursement of cost	1,165.75	1,073.54

## 26. Earnings per Share (EPS)

The components of basic and diluted earnings per share were as follows:

Particulars	Quarter Ended		Nine Month Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Net profit after tax	712.96	554.67	2,289.99	1,536.10
Weighted average outstanding equity shares considered for basic EPS (Nos.)	295,521,684	292,932,573	295,215,378	292,020,564
Basic Earnings per share : (In Rupees)	2.41	1.89	7.76	5.26
Weighted average outstanding equity shares considered for basic EPS (Nos.)	295,521,684	292,932,573	295,215,378	292,020,564
Add : Effect of dilutive issue of stock options (including share application money received on exercise of options) (Nos.)	4,849,305	6,305,537	5,679,879	7,027,559
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	300,370,989	299,238,110	300,895,257	299,048,123
Diluted Earnings per share : (In Rupees)	2.37	1.85	7.61	5.14

# Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

## 27. Derivative Instruments:

a) The Company has following outstanding derivatives instruments:

- (i) Forward exchange contracts to Sell US Dollar 202.14 Million and Sell Euro 13.62 Million (December 31, 2011 Sell US Dollar 159.88 Million and Sell Euro 9.39 Million and Buy Euro 0.43 Million) are outstanding as of September 30, 2012.
- (ii) Fair value (net gain) of the derivative instruments identified as cash flow hedges is Rs.193.10 Million (December 31, 2011 net gain of Rs. 798.55 Million) as at September 30, 2012.
- (iii) Net loss of Rs.467.75 Million recognized in Hedging Reserve as of September 30, 2012 is expected to be classified to Statement of Profit and loss over two years.

b) As of the balance sheet date the Company has the net receivable foreign currency exposure that are not hedged by a derivative instrument or otherwise amounting to Rs 534.50 Million (December 31, 2011 payable Rs.58.02 Million)

28. "Provision Others" includes provisions for towards expenditure relating to fixed assets and employee benefit obligations on contract acquisition, the outflow for which is expected in the next year.

(Rs Million)

	September 30, 2012	December 31, 2011
Opening provision 1 <sup>st</sup> January 2012 / 1 <sup>st</sup> January 2011	279.46	259.22
Provision made during the period / year	3.72	49.79
Repaid /Adjusted during the period / year	55.96	29.55
Closing provision 30th September 2012 / 31 December 2011	227.22	279.46

## 29. Segments:

The Company has presented data relating to its segments based on its consolidated condensed financial statements, which are presented in the same annual report. Accordingly, in terms of the provisions of Accounting Standard (AS 17) "Segment Reporting", no disclosures related to segments are presented in its stand-alone financial statements.

## Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

30. The Company has prepared the financial statements following Revised Schedule VI for the first time during the year. This has significantly impacted the disclosure and presentation made in the financial statements. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

In terms of our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board**

Sd/-  
**R. D. Kamat**  
Partner

Sd/-  
**R.V. Ramanan**  
(Executive Director and President Global delivery)

Sd/-  
**Shailesh Haribhakti**  
(Director)

Place : Mumbai

Date : 1<sup>st</sup> November, 2012