

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 Consolidated Interim Financial Statements

1. We have audited the accompanying condensed consolidated interim financial statements of **HEXAWARE TECHNOLOGIES LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Condensed Consolidated Balance Sheet as at September 30, 2012, the Condensed Consolidated Statement of Profit and Loss for the quarter and nine months ended September 30, 2012, the Condensed Consolidated 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 consolidated 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 condensed consolidated 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. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 995.77 million as at September 30, 2012, total revenues of Rs. 712.54 million and Rs. 2146.42 million for the quarter and nine months ended on that date respectively and net cash inflows amounting to Rs. 302.21 million for the nine months ended on that date as considered in the Condensed Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Condensed Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. In our opinion and to the best of our information and according to the explanations given to us, read with our comments in paragraph 3 above, the aforesaid condensed consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Company as at September 30, 2012;
 - (b) in the case of the Condensed Consolidated 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 Consolidated 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 CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER 2012

(Rs Million)

Particulars	Note No.	As at 30th September' 12		As at 31st December' 11	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
Share Holders' Funds :					
a. Share Capital	"3"	592.68		586.72	
b. Reserves and Surplus	"4"	11,297.48		9,575.11	
			11,890.16		10,161.83
Share Application Money pending allotment	"3"		0.25		-
Non-current liabilities :					
a. Deferred Tax Liabilities (Net)	"5"	118.42		32.41	
b. Other Long term liabilities	"6"	54.81		123.16	
c. Long-term provisions	"7"	253.83		201.71	
			427.06		357.28
Current liabilities :					
a. Trade Payables		534.38		538.89	
b. Other Current Liabilities	"8"	1,419.97		2,229.14	
c. Short Term Provisions	"9"	1,096.19		1,237.91	
			3,050.54		4,005.94
Total			15,368.01		14,525.05
II. ASSETS					
Non-current assets					
a. Fixed Assets :					
i) Tangible Assets					
	"10"	2,808.12		2,545.15	
ii) Intangible Assets		1,468.78		1,426.62	
iii) Capital Work-in-Progress		792.67		798.67	
			5,069.57		4,770.44
b. Non-current investments	"11"	8.64		-	
c. Deferred Tax Asset (Net)	"5"	188.22		194.53	
d. Long-term loans and advances	"12"	1,024.31		807.80	
e. Other non-current assets	"13"	178.54		716.08	
			6,469.28		6,488.85
Current Assets :					
a. Current Investments	"14"	1,118.35		228.77	
b. Trade Receivables	"15"	2,960.19		2,992.99	
c. Cash and Cash Equivalents	"16"	2,764.34		3,769.21	
d. Short-term Loans and Advances	"17"	720.22		479.32	
e. Other Current Assets	"18"	1,335.63		565.91	
			8,898.73		8,036.20
Total			15,368.01		14,525.05

III. NOTES FORMING PART OF FINANCIAL STATEMENTS "1 to 31"

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.
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 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30th SEPTEMBER 2012

(Rs. Million)

Particulars	Note No.	For the quarter ended 30th September' 12		For the quarter ended 30th September'11		For the nine months ended 30th September' 12		For the nine months ended 30th September'11	
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
I. INCOME									
a. Revenue from Operations		5,075.15		3,660.00		14,458.97		10,186.28	
b. Other Income	"19"	102.41		133.74		335.43		345.36	
		-----	5,177.56	-----	3,793.74	-----	14,794.40	-----	10,531.64
II. EXPENSES									
a. Software and Development Expenses	"20"	758.27		472.52		2,166.76		1,469.80	
b. Employee benefits expense	"21"	2,770.84		2,125.67		7,782.63		5,933.51	
c. Operation and Other Expenses	"22"	455.89		384.61		1,306.85		1,152.93	
d. Exchange Rate difference (net)		38.56		(37.98)		68.18		(300.77)	
e. Finance costs	"23"	0.30		3.40		1.31		9.61	
f. Depreciation and amortization expense	"10"	88.17		63.66		234.72		184.12	
		-----	4,112.03	-----	3,011.88	-----	11,560.45	-----	8,449.20
Profit Before Tax			1,065.53		781.86		3,233.95		2,082.44
Tax expense									
Income Tax - Current (net of MAT credit entitlement) (includes for previous year Rs. 22.31 million and Rs. 23.37 million in quarter and nine months ended 30th September, 2012 (Nil))		233.43		136.53		525.48		297.05	
Income Tax - Deferred		(8.62)		(1.68)		93.80		(2.39)	
		-----	224.81	-----	134.85	-----	619.28	-----	294.66
Profit for the year			840.72		647.01		2,614.67		1,787.78
Earnings Per Share (in Rupees)									
Basic			2.84		2.21		8.86		6.12
Diluted			2.80		2.16		8.69		5.98
Face value of equity share (in Rupees)			2.00		2.00		2.00		2.00

III. NOTES FORMING PART OF FINANCIAL STATEMENTS "1 to 31"

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

Consolidated Cash Flow Statement for the period ended 30th September, 2012

(Rs. Million)

Particulars	For the nine months ended 30th Sep-12 Rupees	For the nine months ended 30th Sep-11 Rupees
A Cash Flow from operating activities		
Net Profit before tax	3,233.95	2,082.44
Adjustments for:		
Depreciation, amortization and Impairment	234.72	184.12
Employees share based payment cost	0.53	2.09
Interest Income	(233.52)	(226.53)
Provision for doubtful accounts (net)	(0.19)	5.65
Debts and advances written off	8.64	4.15
Dividend from current investments	(34.13)	(67.32)
(Profit) / Loss on sale of Investments	(0.01)	0.39
Loss on sale of fixed assets (Net)	0.57	0.48
Deferred cancellation (loss) / gains relating to roll-over cash flow hedges	(401.51)	69.83
Exchange Rate Difference	91.66	31.20
Interest Expense	1.31	9.61
Operating profit before working capital changes	2,902.02	2,096.11
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets	(1,002.50)	(804.93)
Adjustments for increase / (decrease) in operating liabilities	124.60	18.51
Cash generated from operations	2,024.12	1,309.69
Direct Taxes Paid (Net)	(636.19)	(386.33)
Net cash from operating activities	1,387.93	923.36
B Cash flow from investing activities		
Purchase of fixed assets	(551.60)	(454.65)
Proceeds from sale of fixed assets	0.98	0.87
Interest received (Net of tax Rs. 46.19 Million (Rs. 14.39 Million))	156.68	148.09
Purchase of Current Investments	(9,750.55)	(10,322.14)
Proceeds from Sale of Investments	8,852.35	10,007.25
Dividend from current investments	34.13	67.32
Net cash used in investing activities	(1,258.01)	(553.26)
C Cash flow from financing activities		
Proceeds from issue of share capital	53.90	30.48
Share Application money received	0.25	0.09
Interest and other finance charges paid	(1.31)	(10.00)
Proceeds from Short term borrowings from bank	-	1,168.61
Repayment of Short term borrowing from bank	-	(602.04)
Dividend paid (including corporate dividend tax)	(1,547.09)	(917.13)
Repayments of long term and other borrowings	-	(123.00)
Net cash used in financing activities	(1,494.25)	(452.99)
Net Decrease in cash and cash equivalents	(1,364.33)	(82.89)
Cash and cash equivalents at the beginning of the year	4,132.33	4,362.43
Cash and cash equivalents at the end of the year	2,768.00	4,279.54

Notes:

1. Cash and Cash equivalents included in the Cashflow statement comprise the following:

Cash and Bank Balances (including EEFC account balances)	2,916.40	4,458.84
Add / (Less): Effect of changes in Exchange rate in cash and cash equivalents	3.66	(58.57)
Less: Restricted Bank Balances	(152.06)	(120.73)
Total Cash and Cash equivalents	2,768.00	4,279.54

- Components of cash and cash equivalents include cash and bank balances as stated in Schedule 16 of the Balance sheet
- Purchase of Fixed Assets (including movements in Capital work in progress) are considered as a part of investing activities.
- The Previous period's figures have been regrouped wherever necessary.

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

Explanatory Notes to the Condensed Consolidated financial statements

1. Background

Hexaware Technologies Limited ("Hexaware or the Holding Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company and its subsidiaries are 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 consolidated financial statements have been prepared using the same basis / accounting policies as those used for the audited consolidated financial statements for the year ended on 31st December 2011. These interim consolidated financial statements have been prepared by the management considering the requirements of Accounting Standard 25 on "Interim financial reporting".

2. Subsidiaries to consolidation

The condensed consolidated financial statements present the consolidated accounts of Hexaware Technologies Limited with the following wholly owned subsidiaries drawn upto the same reporting date as that of the Holding Company.

Name of the Subsidiary company	Country of Incorporation
Hexaware Technologies Inc.	United States of America
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Hexaware Technologies UK Ltd.	United Kingdom
FocusFrame Europe BV	Netherland
Hexaware Technologies Asia Pacific Pte Limited.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Limited.	Canada
Caliber Point Business Solutions Ltd.	India
Risk Technology International Limited	India
Hexaware Technologies SRL, Argentina *	Argentina
Hexaware Technologies DO Brazil Ltd , Brazil #	Brazil
Rampran Infotech Ltd **	India

Note # Held by nominees of Hexaware Technologies UK Ltd.

* Company name struck off from General Justice Bureau of Argentina w.e.f. 10th February 2012

** Application filed with Registrar of Companies as on 28th September 2012 for cancellation of name of the Company.

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

3. Share Capital

	As at 30th September 2012		(Rs. Million) As at 31st December 2011	
A. Authorised				
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	
Total	2,213.10		2,213.10	
B. Issued, subscribed and paid-up capital				
Equity Shares of Rs. 2/- each fully paid.	592.68		586.72	
Total	592.68		586.72	
C. Reconciliation of number of shares				
	As at 30th September 2012		As at 31st December 2011	
Particulars	Numbers	Amount	Numbers	Amount
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

4. Reserves and Surplus

	(Rs. Million)	
	<u>As at 30th September 2012</u>	<u>As at 31st December 2011</u>
A. Securities premium account		
As per last Balance Sheet	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
	<u>4,573.23</u>	<u>4,521.83</u>
B. Employee stock options outstanding		
As per last Balance Sheet	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
	<u>4.41</u>	<u>8.32</u>
Less : Deferred employee compensation expenses	0.45	1.44
	<u>3.96</u>	<u>6.88</u>
C. General reserve		
As per last Balance Sheet	1,491.97	1,140.46
Add : Transfer from statement of profit and loss (In respect of Subsidiary Company Rs Nil (Rs 51.51 Million))	-	351.51
	<u>1,491.97</u>	<u>1,491.97</u>
D. Hedging reserve		
As per last Balance Sheet	(1,035.85)	259.77
Add : Losses / (Gains) transferred to income statement on occurrence of forecasted hedge transaction	477.49	(78.05)
Add : Changes in the fair value of the effective portion of outstanding cash flow derivative	36.00	(1,217.57)
Closing balance	<u>(522.36)</u>	<u>(1,035.85)</u>
E. Amalgamation reserve		
As per last Balance Sheet	2.88	2.88
F. Currency Translation Reserve		
As per last Balance Sheet	423.61	(31.65)
Addition / (Deduction) during the year (Net)	(4.84)	455.26
	<u>418.77</u>	<u>423.61</u>
G. Balance in statement of profit and Loss		
As per last Balance Sheet	4,163.79	3,207.36
Add : Profit for the period	2,614.67	2,670.27
	<u>6,778.46</u>	<u>5,877.63</u>
Less : Closure of Argentinian Subsidiary	0.10	
Appropriations		
Interim dividend - equity	1,247.03	732.81
Proposed dividend - equity	-	440.04
Tax on dividend	202.30	189.48
Transfer to general reserve	-	351.51
	<u>5,329.03</u>	<u>4,163.79</u>
Total	<u>11,297.48</u>	<u>9,575.11</u>

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

5. Deferred Tax Liabilities

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
a. Deferred Tax Assets:		
i. Provision for doubtful debts and advances	10.89	8.82
ii. Depreciation	8.81	7.16
iii. Employee Benefits	140.13	130.53
iv. Net Operating losses carried forward	-	7.06
v. Provision Others (Refer Note No. 29)	22.83	37.39
vi. Others	5.56	3.57
Total	188.22	194.53
b. Deferred Tax Liabilities:		
i. Depreciation	82.24	24.03
ii. Deferred Cancellation loss relating to roll-over	117.52	17.07
Less: Deferred Tax Asset		
i. Employee Benefits	58.35	8.47
ii. Provision Others (Refer note no. 29)	22.27	
iii. Provision for doubtful debts and advances	0.72	0.22
Total	118.42	32.41

6. Other Long Term Liabilities

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
Other liabilities		
a. Deposit received for leased premises	9.37	9.19
b. For expenses	6.50	-
c. Capital creditors	12.60	-
d. Liability for mark to market losses on derivative contracts	26.34	113.97
Total	54.81	123.16

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

7. Long Term Provisions

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
Provision for employee benefits	253.83	201.71
Total	253.83	201.71

8. Other Current Liabilities

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
a. Unearned revenues	49.43	134.59
b. Equity share application money refundable	-	0.29
c. Unclaimed dividend *	40.55	28.89
d. Other payables		
i. Employee related liability	506.58	494.28
ii. Statutory liabilities	221.47	217.74
iii. Deposit received for leased premises	19.32	19.32
iv. Capital creditors	155.01	180.72
v. Liability for mark to market losses on derivative contracts	-	766.73
vi. For Expenses	427.61	386.58
Total	1,419.97	2,229.14

* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

9. Short Term Provisions

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
a. Provision for employe benefits	326.56	293.11
b. Provision others		
i. Proposed dividend	355.61	440.04
ii. Tax on proposed dividend	57.69	71.39
iii. Others (Refer Note 29)	253.64	346.19
iv. Provision for tax (net of advance tax)	102.69	87.18
Total	1,096.19	1,237.91

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

10. Fixed Assets

(Rs Million)											
SR. NO.	PARTICULARS	G R O S S B L O C K			DEPRECIATION / AMORTIZATION / IMPAIRMENT				N E T B L O C K		
		As at 01.01.2012	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	As at 30.09.2012	As at 01.01.2012	FOR THE PERIOD	DEDUCTIONS / ADJUSTMENTS	As at 30.09.2012	As at 30.09.2012	As at 31.12.2011
A	TANGIBLE ASSETS										
1	Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
	Land - Leasehold (Refer Note 1)	362.14	-	-	362.14	18.13	2.82	(0.08)	21.03	341.11	344.01
2	Building	1,614.00	121.41	-	1,735.41	83.21	18.64	0.10	101.75	1,633.66	1,530.79
3	Plant and Machinery (Refer Note 2)	1,163.66	154.24	(0.12)	1,318.02	891.28	82.53	0.20	973.61	344.41	272.38
4	Office Equipment & AC	470.04	87.31	0.41	556.94	238.81	62.65	0.49	300.97	255.97	231.23
5	Furniture and Fixtures	454.23	83.42	(2.38)	540.03	294.52	33.16	(2.37)	330.05	209.98	159.71
6	Improvements to Leasehold Premises	26.10	19.45	1.26	44.29	24.26	3.17	1.25	26.18	18.11	1.84
7	Vehicles	35.73	1.71	1.98	35.46	30.69	1.50	1.46	30.73	4.73	5.04
	Total - Tangible Assets	4,126.05	467.54	1.15	4,592.44	1,580.90	204.47	1.05	1,784.32	2,808.12	2,545.15
	<i>Previous year</i>	<i>3,340.87</i>	<i>857.62</i>	<i>72.44</i>	<i>4,126.05</i>	<i>1,431.52</i>	<i>223.64</i>	<i>74.26</i>	<i>1,580.90</i>	<i>2,545.15</i>	
B	INTANGIBLE ASSETS										
1	Softw ares	165.53	78.90	25.72	218.71	116.30	30.25	25.70	120.85	97.86	49.23
2	Goodwill on Consolidation	1,377.39	-	6.47	1,370.92	-	-	-	-	1,370.92	1,377.39
	Total - Intangible Assets	1,542.92	78.90	32.19	1,589.63	116.30	30.25	25.70	120.85	1,468.78	1,426.62
	<i>Previous year</i>	<i>1,288.07</i>	<i>32.30</i>	<i>(222.55)</i>	<i>1,542.92</i>	<i>87.97</i>	<i>23.39</i>	<i>(4.94)</i>	<i>116.30</i>	<i>1,426.62</i>	
	CURRENT PERIOD	5,668.97	546.44	33.34	6,182.07	1,697.20	234.72	26.75	1,905.17	4,276.90	3,971.77
	<i>PREVIOUS YEAR</i>	<i>4,628.94</i>	<i>889.92</i>	<i>(150.11)</i>	<i>5,668.97</i>	<i>1,519.49</i>	<i>247.03</i>	<i>69.32</i>	<i>1,697.20</i>	<i>3,971.77</i>	<i>-</i>
C	CAPITAL WORK IN PROGRESS									792.67	798.67
	((In respect of buildings under construction))										
	TOTAL									5,069.57	4,770.44

Notes:

1 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.

2 Plant and machinery includes Computer systems.

3 Exchange difference (Net) on account of translation of fixed assets into INR included under deductions is as follow s:

Particulars	Gross Block	Depreciation
Goodwill On Consolidation	6.47	-
TANGIBLE ASSETS		
Plant and Machinery	1.99	1.62
Office Equipment & AC	0.31	0.21
Furniture and Fixtures	1.96	0.91
Improvements to Leasehold Premises	1.41	1.42
Vehicles	0.01	0.01
Intangible Assets		
Computer Softw ares	0.15	0.16
Current Period	12.30	4.33
<i>Previous year</i>	<i>248.33</i>	<i>26.71</i>

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

11. Non Current Investments

	<u>As at 30th September 2012</u>	(Rs. Million) <u>As at 31st December 2011</u>
Trade investments (unquoted) (at cost) - in others 454,636 (Previous year Nil) equity shares of Rs. 10/- each fully paid in Beta Wind Farm Pvt.Ltd.	8.64	-
Total	<u>8.64</u>	<u>-</u>
Aggregate value of unquoted investments	8.64	-

12. Long Term Loans and Advances (Unsecured)

	<u>As at 30th September 2012</u>	(Rs. Million) <u>As at 31st December 2011</u>
a. Considered good		
i. Capital Advances	12.78	14.71
ii. Security Deposits	84.61	69.28
iii. Advance Income Tax (net of provision for tax)	173.43	161.68
iv. Advance Fringe Benefit Tax (net of provision for tax)	4.84	4.85
v. MAT Credit Entitlement	698.82	539.66
vii. Other Loans and advances	<u>49.83</u>	<u>17.62</u>
	1,024.31	807.80
Total	<u>1,024.31</u>	<u>807.80</u>

13. Other Non Current Assets

	<u>As at 30th September 2012</u>	(Rs. Million) <u>As at 31st December 2011</u>
a. Interest accrued on deposits	1.20	1.25
b. Unbilled services	25.28	106.85
c. Non current bank balances		
i. Restricted bank balances	152.06	150.48
ii. Bank deposit accounts with more than 12 months maturity from the date of balance sheet	-	457.50
Total	<u>178.54</u>	<u>716.08</u>

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

14. Current Investments

	<u>As at 30th September 2012</u>	(Rs. Million) <u>As at 31st December 2011</u>
Non Trade Investments (Unquoted) (At cost or fair value whichever is lower)		
Investments in Mutual funds	1,118.35	228.77
Total	<u>1,118.35</u>	<u>228.77</u>
i. Aggregate value of unquoted investments.	1,118.35	228.77

15. 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	-	-
Considered doubtful	27.06	24.81
	<u>27.06</u>	<u>24.81</u>
Less : Provision for doubtful accounts	<u>27.06</u>	<u>24.81</u>
	-	-
b. Others		
Considered good	2,960.19	2,992.99
Considered doubtful	12.65	8.58
	<u>2,972.84</u>	<u>3,001.57</u>
Less : Provision for doubtful accounts	<u>12.65</u>	<u>8.58</u>
	2,960.19	2,992.99
Total	<u>2,960.19</u>	<u>2,992.99</u>

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

16. Cash and Cash Equivalents

	As at 30th September 2012	(Rs. Million) As at 31st December 2011
a. Balances with banks		
i. In current accounts	624.26	487.31
ii. Cash in hand	0.08	0.07
iii. Remittance in transit	0.96	-
iv. Bank deposits accounts with less than 3 months maturity	284.54	254.26
	909.84	741.64
b. Other bank balances		
i. Earmarked balances with banks	104.95	107.92
ii. Unclaimed dividend account	40.67	29.37
iii. Margin money	6.44	13.19
iv. Guarantees	-	0.75
v. Bank deposit accounts with more than 12 months original maturity	1,757.50	3,278.75
vi. Bank deposit accounts with more than 3 and less than 12 months original maturity	97.00	205.57
	2,006.56	3,635.55
	2,916.40	4,377.19
Less : Bank balances reclassified as non current assets		
i. Restricted bank balances	(152.06)	(150.48)
ii. Bank deposit accounts with more than 12 months maturity from the date of balance sheet	-	(457.50)
	(152.06)	(607.98)
Total	2,764.34	3,769.21

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

17. 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	68.32	131.13
ii. Advance income tax (net of provision for tax)	26.32	26.66
iii. Receivable on account of mark to market gains on derivative contracts	235.45	-
iv. MAT Credit Entitlement	-	-
v. Other loans and advances	<u>390.13</u>	<u>321.53</u>
	720.22	479.32
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>
	-	-
Total	<u><u>720.22</u></u>	<u><u>479.32</u></u>

18. Other Current Assets

	<u>As at 30th September 2012</u>	<u>(Rs. Million) As at 31st December 2011</u>
a. Interest accrued on deposits	190.87	159.16
b. Unbilled services	1,144.76	406.75
Total	<u><u>1,335.63</u></u>	<u><u>565.91</u></u>

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

19. Other Income

	(Rs. Million)			
	For the quarter ended		For the nine month ended	
	30th Sept 2012	30th Sept 2011	30th Sept 2012	30th Sept 2011
a. Dividend from current investments	11.66	14.45	34.13	67.32
b. Loss on sale of current investments (net)	0.01	(0.05)	0.01	(0.39)
c. Interest income	64.45	95.39	233.52	226.53
d. Profit on sale of fixed assets (net)	0.22	-	0.45	0.03
e. Rental income	17.95	14.59	52.95	39.46
f. Miscellaneous income	8.12	9.36	14.37	12.41
Total	102.41	133.74	335.43	345.36

20. Software and Development Expenses

	(Rs. Million)			
	For the quarter ended		For the nine month ended	
	30th Sept 2012	30th Sept 2011	30th Sept 2012	30th Sept 2011
a. Consultant travel and related expenses	224.25	185.66	670.98	553.91
b. Software expenses*	534.02	286.86	1,495.78	915.89
Total	758.27	472.52	2,166.76	1,469.80
* Includes subcontracting charges	438.12	230.99	1,246.03	732.63

21. Employee Benefits Expenses

	(Rs. Million)			
	For the quarter ended		For the nine month ended	
	30th Sept 2012	30th Sept 2011	30th Sept 2012	30th Sept 2011
a. Salaries and allowances	2,450.77	1,864.48	6,891.81	5,214.57
b. Contribution to provident and other funds	256.77	216.04	732.81	603.06
c. Staff welfare expenses	63.53	44.67	157.48	113.79
d. Employee stock option compensation cost	(0.23)	0.48	0.53	2.09
Total	2,770.84	2,125.67	7,782.63	5,933.51

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

22. Operations and Other Expenses

	(Rs. Million)			
	For the quarter ended		For the nine month ended	
	30th Sept 2012	30th Sept 2011	30th Sept 2012	30th Sept 2011
a. Rent	52.15	62.17	151.99	206.04
b. Rates and taxes	6.41	4.40	22.52	11.66
c. Travelling and conveyance expenses	122.07	85.06	345.43	255.34
d. Electricity charges	44.72	37.48	131.83	104.84
e. Communication expenses	42.56	42.57	123.42	114.47
f. Repairs and maintenance	38.68	26.11	91.94	69.78
g. Printing and stationery	5.24	5.18	17.26	16.84
h. Auditors remuneration	6.19	4.70	16.84	13.32
i. Legal and professional fees	26.32	31.49	72.01	88.74
j. Advertisement and publicity	4.55	4.53	22.10	16.77
k. Seminar and conference expenses	22.88	15.57	72.12	48.70
l. Bank and other charges	2.36	2.02	7.06	4.93
m. Directors' sitting fees	0.54	0.53	1.62	2.31
n. Insurance premium	9.53	9.41	26.53	21.43
o. Loss on sale of fixed assets (net)	-	0.01	-	0.51
p. Donation	0.16	0.07	0.33	0.16
q. Fixed assets written off	1.02	-	1.02	-
r. Debts and advances written off (Net of recoveries) *	6.59	0.09	8.64	4.15
s. Provision for doubtful accounts (Net of write back) **	(1.41)	(12.70)	(0.19)	5.65
t. Staff recruitment expenses	15.61	21.06	47.92	44.71
u. Service charges	26.81	20.10	76.74	59.54
v. Miscellaneous expenses	22.91	24.76	69.72	63.04
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.				
Total	455.89	384.61	1,306.85	1,152.93
* Net of recoveries Rs.	0.07	0.04	0.07	0.04
** Net of write backs Rs.	7.15	19.19	46.04	25.63

23. Finance Costs

	(Rs. Million)			
	For the quarter ended		For the nine month ended	
	30th Sept 2012	30th Sept 2011	30th Sept 2012	30th Sept 2011
a. Interest others (Includes working capital loan)	0.30	0.22	1.31	0.87
b. On term Loans	-	3.18	-	8.74
Total	0.30	3.40	1.31	9.61

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

24. 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 :
 - i. The Income tax assessment of the Company for Assessment year 2008-09 was completed during the year ended 31st December 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.
 - ii. In case of a Subsidiary Company Income tax of Rs 1.43 Million (December 31, 2011 Rs 1.43 Million) for Assessment year 2008-09, disputed in appeal and pending decision. Subsidiary Company is hopeful of getting a favourable decision.

25. a) Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In respect of certain entities in the group, where the income tax year is different from the accounting year, provision for current tax is made on the basis of income for the respective accounting year, which will be adjusted considering the total assessable income for the tax year. Tax expense relating to overseas operation is determined in accordance with the tax laws applicable in countries where such operations are domiciled.

b) 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 12) 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.

26. Related party disclosures

Names of related parties and description of relationship:

Key Management Personnel

Mr. Atul K. Nishar – Chairman

Mr. P. R. Chandrasekar - Vice Chairman and Chief Executive Officer

Dr. (Mrs) Alka A Nishar – Director (upto 27-07-2011)

Mr R. V. Ramanan – Executive Director and President Global Delivery

Mr Ramanan Seshadri - Whole Time Director

Mr Yogendra Shah – Whole Time Director (Hexaware Technologies Asia Pacific Pte Ltd) (upto 13-04-2011)

Mr. R U Srinivas – President and Executive Director (Caliber Point Business Solutions Ltd)

Mr Rajiv Pant – President North America (Hexaware Technologies Inc) (w.e.f. 18-01-2011)

Others (entities in which key management personnel have control and/or significant influence)

Hexaware Technologies Employee Stock Option Trust

Ms. Priyanka Atul Nishar – Relative of key management personnel

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

Receiving of Services

	Remuneration (Rs. Million)		No. of Stock Options Outstanding
	Quarter Ended 30th September 2012 (30th September 2011)	Nine months Ended 30th September 2012 (30th September 2011)	As on 30th September 2012 (31st December 2011)
Mr. Atul K. Nishar	3.12 (2.65)	9.41 (8.03)	- (-)
Mr P R Chandrasekar	18.66 (15.42)	56.77 (45.31)	1,019,978 (1,925,262)
Mr R V Ramanan	2.35 (10.66)	24.48 (17.29)	388,822 (517,606)
Dr. (Mrs.) Alka A. Nishar	2.52 (14.21)	6.76 (14.21)	- (-)
Mr Yogendra Shah	- -	- (10.78)	- (-)
Mr R U Srinivas	2.37 (2.30)	8.06 (10.03)	60,000 (60,000)
Mr Rajiv Pant	7.22 (5.94)	33.56 (24.84)	242,536 (576,338)
Mr. Ramanan Sheshadri	3.52 (3.83)	22.80 (20.44)	248,000 (298,000)
Ms. Priyanka Nishar	- -	- (1.51)	- (-)

27. Earnings per Share (EPS)

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

Particulars	Quarter Ended		Nine Month Ended	
	September 30th		September 30th	
	2012	2011	2012	2011
Net profit after tax	840.72	647.01	2,614.67	1,787.78
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)	2.84	2.21	8.86	6.12
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)	2.80	2.16	8.69	5.98

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

28. Derivative Instruments:

a) The Company has following outstanding derivatives instruments:

- (i) Forward exchange contracts to Sell US Dollar 220.31 Million and Sell Euro 13.62 Million (December 31, 2011 Sell US Dollar 181.28 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. 209.11 million (December 31, 2011 net loss of Rs. 880.70 million) as at September 30, 2012.
- (iii) Net loss of Rs. 522.36 million recognised in Hedging Reserve as of September 30, 2012 is expected to be classified to Statement of Profit and loss over two years.

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

	September 30, 2012	December 31, 2011
Opening provision as at 1 st January 2012 / 1 st January 2011	346.19	374.40
Provision made during the period/ year	3.72	51.22
Repaid /Adjusted during the period/year	603.55	79.43
Closing provision as at 30 st September 2012 / 31 st December 2011	253.64	346.19

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

30. Segments:

(Rs. Million)

Quarter ended September 30, 2012						
Primary Segment : Business Segments						
Primary Segment : Business Segments	Travel, Transportation, Hospitality and Logistics	Banking and Financial Services	Insurance and Healthcare	Manufacturing and Services	Others	Total
Segment Revenue	969.16	1,560.39	727.48	1,116.42	701.70	5,075.15
	(802.57)	(985.21)	(466.45)	(868.21)	(537.56)	(3,660.00)
Segment Results	223.62	282.78	146.50	315.60	121.64	1,090.14
	(135.60)	(185.28)	(65.44)	(195.29)	(95.58)	(677.19)
Less: Unallocable expenses						126.72
						(25.67)
Add: Other Income						102.41
						(133.74)
Less: Interest						0.30
						(3.40)
Profit before tax						1,065.53
						(781.86)
Less: Provision for taxation						224.81
						(134.85)
Profit after tax						840.72
						(647.01)
Other Information - Segment Assets (Refer Note No. 3)						
Goodwill						1,370.92
						(1,377.39)
Secondary Segment – Geographic Segment	North America	Europe	India	Rest of the World	Total	
Revenue attributable to location of customers	3,315.32	1,375.90	83.37	300.56	5,075.15	
	(2,369.83)	(1,041.25)	(100.45)	(148.47)	(3,660.00)	
Segment assets based on their locations	3,076.74	736.36	9,929.11	136.47	13,878.68	
	(2,763.99)	(722.01)	(9,505.72)	(123.52)	(13,115.24)	
Additions to fixed assets (including capital work in progress)	33.50	2.31	504.59	0.04	540.44	
	(9.01)	(2.17)	(723.18)	(-)	(734.36)	
Goodwill	1,250.18	120.74	-	-	1,370.92	
	(1,256.04)	(121.35)	(-)	(-)	(1,377.39)	

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

(Rs. Million)

Nine month ended September 30, 2012						
Primary Segment : Business Segments						
Primary Segment : Business Segments	Travel, Transportation, Hospitality and Logistics	Banking and Financial Services	Insurance and Healthcare	Manufacturing and Services	Others	Total
Segment Revenue	2,818.59	4,058.79	2,220.61	3,417.72	1,943.26	14,458.97
	(2,321.26)	(2,704.52)	(1,229.43)	(2,392.74)	(1,538.33)	(10,186.28)
Segment Results	618.19	751.17	478.10	987.95	367.31	3,202.72
	(287.37)	(443.94)	(160.37)	(486.25)	(252.11)	(1,630.04)
Less: Unallocable expenses						302.89
						(-116.65)
Add: Other Income						335.43
						(345.36)
Less: Interest						1.31
						(9.61)
Profit before tax						3,233.95
						(2,082.44)
Less: Provision for taxation						619.28
						(294.66)
Profit after tax						2,614.67
						(1,787.78)
Other Information - Segment Assets (Refer Note No. 3)						
Goodwill						1,370.92
						(1,377.39)
Secondary Segment – Geographic Segment	North America	Europe	India	Rest of the World	Total	
Revenue attributable to location of customers	9,260.58	4,111.73	281.92	804.74	14,458.97	
	(6,692.38)	(2,836.57)	(218.88)	(438.45)	(10,186.28)	
Segment assets based on their locations	3,076.74	736.36	9,929.11	136.48	13,878.68	
	(2,763.99)	(722.01)	(9,505.72)	(123.52)	(13,115.24)	
Additions to fixed assets (including capital work in progress)	33.50	2.31	504.59	0.04	540.44	
	(9.01)	(2.17)	(723.18)	(-)	(734.36)	
Goodwill	1,250.18	120.74	-	-	1,370.92	
	(1,256.04)	(121.35)	(-)	(-)	(1,377.39)	

Notes:

- The Company has identified business segment as the primary segment. Segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organizational structure and the internal reporting system. The Company has realigned its industry segments and has disclosed Insurance and Healthcare as a separate segment and accordingly the figures for the previous period have been regrouped to conform to the current period.
- Revenues and expenses directly attributable to segments are reported under each reportable segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.
- Assets and liabilities contracted have not been identified to any of the reportable business segments as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly, no disclosure relating to segment assets and segment liabilities are made.
- Figures in brackets have been given for the period ended September 30, 2011 for statement of profit and loss and as at December 31, 2011 for the Balance Sheet.

Hexaware Technologies Limited

Period from 1st January 2012 to 30th September 2012

31. 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
Place : Mumbai
Date : 1st November, 2012

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

sd/-
Shailesh Haribhakti
(Director)