

Independent Auditors' Report

To the Board of Directors of Hexaware Technologies Limited

Report on the Audit of the Condensed Interim Standalone Financial Statements

Opinion

We have audited the condensed interim standalone financial statements of Hexaware Technologies Limited (“the Company”), which comprise the condensed standalone balance sheet as at 30 September 2019, and the condensed standalone statement of profit and loss (including other comprehensive income) for the quarter and nine months then ended, condensed standalone statement of changes in equity and condensed standalone statement of cash flows for the nine months then ended, and notes to the condensed interim standalone financial statements, including a summary of the significant accounting policies and other explanatory information, as required by Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed interim standalone financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2019, and profit and other comprehensive income for the quarter and nine months then ended, changes in equity and its cash flows for the nine months ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“Act”). Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Condensed Interim Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the condensed interim standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Condensed Interim Standalone Financial Statements

The Company’s management and Board of Directors are responsible for the preparation of these condensed interim standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 prescribed under Section 133 of the Act and other accounting principles generally accepted in India.

Independent Auditors' Report (*Continued*)

Hexaware Technologies Limited

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 interim standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the condensed interim standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Condensed Interim Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed interim standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed interim standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed interim standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal financial control with reference to the condensed interim standalone financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report (*Continued*)

Hexaware Technologies Limited

Auditor's Responsibilities for the Audit of the Condensed Interim Standalone Financial Statements (*Continued*)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed interim standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed interim standalone financial statements, including the disclosures, and whether the condensed interim standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Rajesh Mehra

Partner

Membership No: 103145

Mumbai
23 October 2019

Unique Document Identification Number: 19103145AAAADY3844

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED INTERIM STANDALONE BALANCE SHEET

(Rupees Million)

		As at	As at
	Notes	September 30, 2019	December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,289.81	3,682.17
Capital work-in-progress		2,075.99	2,253.03
Other intangible assets	6	97.19	92.87
Financial assets			
- Investments	7A	2,300.49	1,899.32
- Other financial assets	9A	453.71	335.06
Deferred tax assets (net)	8	1,450.49	1,388.99
Income tax asset (net)		378.63	374.13
Other non-current assets	10A	805.54	786.24
Total non-current assets		11,851.85	10,811.81
Current assets			
Financial assets			
- Investments	7B	-	101.28
- Trade receivables	11	6,016.80	5,363.53
- Cash and cash equivalents	12A	672.83	1,320.47
- Other bank balances	12B	155.29	154.38
- Unbilled revenue		1,809.28	1,448.45
- Other financial assets	9B	789.54	508.73
Other current assets	10B	313.36	285.14
Total current assets		9,757.10	9,181.98
Total assets		21,608.95	19,993.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	596.68	594.72
Other equity		18,535.47	16,776.08
Total equity		19,132.15	17,370.80
Non-current liabilities			
Financial liabilities			
- Other financial liabilities	14A	25.38	75.64
Other non-current Liabilities	16A	38.98	-
Provisions - Employee benefit obligations towards gratuity		278.86	218.79
Total non-current liabilities		343.22	294.43
Current liabilities			
Financial liabilities			
- Trade and other payables	15	657.21	798.64
- Other financial liabilities	14B	799.24	809.62
Other current liabilities	16B	299.92	411.79
Provisions			
Employee benefit obligations towards compensated absences and others		262.17	217.40
Others	17	-	-
Current tax liabilities (net)		115.04	91.11
Total current liabilities		2,133.58	2,328.56
Total liabilities		2,476.80	2,622.99
Total equity and liabilities		21,608.95	19,993.79

The accompanying notes 1 to 28 form an integral part of the condensed financial statements

As per our report of even date

For B S R & Co. LLP

Firm's Registration No: 101248W/W-100022
Chartered Accountants

Rajesh Mehra
(Partner)

Membership No : 103145
Mumbai, dated October 23rd, 2019

For and on behalf of the Board of Directors

R. Srikrishna
(CEO & Executive
Director)
(DIN-03160121)

Meera Shankar
(Director)
(DIN-06374957)

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED INTERIM STANDALONE STATEMENT OF PROFIT AND LOSS

(Rupees Million)

	Notes	For quarter ended		For nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
INCOME					
Revenue from operations		5,557.64	4,731.38	15678.09	12,961.82
Exchange rate difference (net)		215.20	256.65	243.21	755.08
Other Income	18	14.11	6.32	25.02	21.04
Total income		5,786.95	4,994.35	15946.32	13,737.94
EXPENSES					
Software and development expenses	19	188.12	116.45	854.39	416.17
Employee benefits expense	20	3,004.73	2,423.51	8278.39	6,919.20
Operation and other expenses	21	703.66	612.63	1883.65	1,774.90
Interest - others		0.10	0.05	0.19	0.09
Depreciation and amortisation expense	5,6	155.82	126.71	426.93	368.37
Total expenses		4,052.43	3,279.35	11443.55	9,478.73
Profit before tax Before exceptional items		1,734.52	1,715.00	4502.78	4,259.21
Less: Exceptional items (Acquisition related cost)		0.00	0.00	5.21	0.00
Profit before tax		1,734.52	1,715.00	4,497.56	4,259.21
Tax expense					
Current		250.93	406.20	846.67	967.19
Deferred (Charge/credit)		56.32	(102.36)	(105.17)	(185.72)
		307.25	303.84	741.50	781.47
Profit for the period		1,427.27	1,411.16	3,756.06	3,477.74
Other comprehensive income					
i) Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plan		(11.76)	(17.97)	21.12	50.69
Income tax relating to items that will not be reclassified to profit or loss		3.35	2.99	0.12	(9.96)
ii) Items that will be reclassified to profit or loss					
Net change in fair value of cash flow hedges		(190.56)	(545.16)	214.16	(1,288.79)
Income tax relating to items that will be reclassified to profit or loss		36.10	105.45	(43.67)	253.35
Total other comprehensive income		(162.87)	(454.69)	191.73	(994.71)
Total comprehensive income for the period		1,264.40	956.47	3,947.79	2,483.03
Earnings per share (in Rupees)					
	23				
Basic		4.79	4.75	12.61	11.72
Diluted		4.72	4.67	12.43	11.52

The accompanying notes 1 to 28 form an integral part of the condensed financial statements

As per our report of even date

For B S R & Co. LLP

Firm's Registration No: 101248W/W-100022
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Mehra
(Partner)

Membership No : 103145

Mumbai, dated October 23rd, 2019

R. Srikrishna
(CEO & Executive
Director)
(DIN-03160121)

Meera Shankar
(Director)
(DIN-06374957)

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Rupees Million)

	<u>As at</u> <u>September</u> <u>30, 2019</u>	<u>As at</u> <u>September</u> <u>30, 2018</u>
Outstanding at the beginning of the period	594.72	593.61
Issued during the period	1.96	0.10
Outstanding at the end of the year	<u>596.68</u>	<u>593.71</u>

B. Other Equity

(Rupees Million)

	<u>Reserves and Surplus</u>						<u>Other comprehensive income</u>		<u>Total</u>	
	<u>Share application money pending allotment</u>	<u>Securities Premium</u>	<u>Amalgamation Reserve</u>	<u>Special Economic Zone Re-investment Reserve</u>	<u>Share options outstanding account</u>	<u>Capital Redemption Reserve</u>	<u>General reserve</u>	<u>Retained Earnings</u>		<u>Cashflow Hedge Reserve (CFHR)</u>
Balances as at January 1, 2019	0.42	3,635.69	4.38	476.46	991.75	11.39	2,117.71	9,553.14	(14.86)	16,776.08
Profit for the period	-	-	-	-	-	-	-	3,756.06	-	3,756.06
Other comprehensive income	-	-	-	-	-	-	-	21.24	170.49	191.73
Total comprehensive income for the period	-	-	-	-	-	-	-	<u>3,777.30</u>	<u>170.49</u>	<u>3,947.79</u>
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(2,334.91)	-	(2,334.91)
Shares Issued on exercise of options	-	-	-	-	-	-	-	-	-	-
Transfer from special economic zone reserve	-	-	-	(416.96)	-	-	-	416.96	-	-
Transfer to special economic zone reserve	-	-	-	303.43	-	-	-	(303.43)	-	-
Received / transferred on exercise of stock options	(0.42)	201.47	-	-	(201.47)	-	-	-	-	(0.42)
Compensation related to employee share based payments	-	-	-	-	146.93	-	-	-	-	146.93
As at September 30, 2019	<u>-</u>	<u>3,837.16</u>	<u>4.38</u>	<u>362.93</u>	<u>937.21</u>	<u>11.39</u>	<u>2,117.71</u>	<u>11,109.06</u>	<u>155.63</u>	<u>18,535.47</u>
Balances as at January 1, 2018	0.61	3,517.94	4.38	24.08	732.44	11.39	2,117.71	7,948.96	465.83	14,823.34
Profit for the period	-	-	-	-	-	-	-	3,477.74	-	3,477.74
Other comprehensive income	-	-	-	-	-	-	-	40.73	(1,035.44)	(994.71)
Total comprehensive income for the period	-	-	-	-	-	-	-	<u>3,518.47</u>	<u>(1,035.44)</u>	<u>2,483.03</u>
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(1,609.82)	-	(1,609.82)
Buy-back of shares	-	-	-	-	-	-	-	-	-	-
Shares Issued on exercise of Options	-	3.32	-	-	-	-	-	-	-	3.32
Tax benefit on share based compensation	-	-	-	-	-	-	-	-	-	-
Transfer to special economic zone reserve, net	-	-	-	254.16	-	-	-	(254.16)	-	-
Received / transferred on exercise of stock options	(0.60)	0.09	-	-	(0.09)	-	-	-	-	(0.60)
Compensation related to employee share based payments	-	-	-	-	283.01	-	-	-	-	283.01
As at September 30, 2018	<u>0.01</u>	<u>3,521.35</u>	<u>4.38</u>	<u>278.24</u>	<u>1,015.36</u>	<u>11.39</u>	<u>2,117.71</u>	<u>9,603.45</u>	<u>(569.61)</u>	<u>15,982.28</u>

Description of component of Other equity

Securities premium is used to record the premium received on issue of shares to be utilized in accordance with the provisions of the Companies Act, 2013 .

Capital reserve represent reserve on amalgamation

Capital redemption reserve is created on buy-back of the equity shares in accordance with the provisions of the Act.

The Special Economic Zone Re-Investment Reserve has been created out of profit of eligible SEZ units as per provisions of section 10AA (1)(ii) of the Income-tax Act, 1961 for acquiring new plant and machinery.

Share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

General reserve represents appropriation of profits by the Company.

Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 28 form an integral part of the condensed financial statements

As per our report of even date

For B S R & Co. LLP

Firm's Registration No: 101248W/W-100022
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Mehra
(Partner)
Membership No : 103145

R. Srikrishna
(CEO & Executive Director)
(DIN-03160121)

Meera Shankar
(Director)
(DIN-06374957)

Mumbai, dated October 23rd, 2019

HEXAWARE TECHNOLOGIES LIMITED**CONDENSED INTERIM STANDALONE CASH FLOW STATEMENT**

(Rupees Million)

For Nine months ended

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Cash Flow from operating activities		
Net Profit before tax	4,497.56	4,259.21
Adjustments for:		
Depreciation and amortization expense	426.93	368.37
Employee stock option compensation cost	78.81	154.17
Interest income	(14.25)	(6.44)
Provision for doubtful accounts (net of writeback)	32.08	30.38
Debts and advances written off	0.00	5.47
Dividend from current investments	(3.32)	(8.20)
Profit on sale of property, plant and equipments (PPE) and intangible assets (net)	(0.92)	(0.21)
Provision for impairment in the value of investment		132.79
Exchange rate difference (net) - unrealised	0.56	(4.06)
Interest expense	0.19	0.09
Operating profit before working capital changes	5,017.64	4,931.57
Adjustments for:		
Trade receivables and other assets	(1,354.77)	(1,693.51)
Trade payables and other liabilities	(118.29)	(108.54)
Cash generated from operations	3,544.58	3,129.52
Direct taxes paid (net)	(827.12)	(790.76)
Net cash from operating activities	2,717.46	2,338.76
Cash flow from investing activities		
Purchase of PPE, Intangible assets and CWIP including advances	(751.89)	(388.23)
Interest received	15.33	6.80
Purchase of current investments	(635.04)	(3,130.93)
Proceeds from sale/ redemption of current Investments	736.32	3,090.55
Investment in subsidiaries	(401.17)	-
Dividend from current investments	3.32	8.20
Proceeds from sale of PPE	2.15	0.36
Net cash used in investing activities	(1,030.98)	(413.25)
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	1.54	2.82
Interest paid	(0.19)	(0.09)
Dividend paid (including corporate dividend tax)	(2,334.91)	(1,609.82)
Net cash used in financing activities	(2,333.56)	(1,607.09)
Net increase / (decrease) in cash and cash equivalents	(647.08)	318.41
Cash and cash equivalents at the beginning of the period	1,320.47	882.53
Unrealised gain on foreign currency cash & cash equivalents	(0.56)	4.05
Cash and cash equivalents at the end of the period (Refer note 12A)	672.83	1,204.99

The accompanying notes 1 to 28 form an integral part of the condensed Interim financial statements

As per our report of even date

For B S R & Co. LLP

Firm's Registration No: 101248W/W-100022

Chartered Accountants

Rajesh Mehra

(Partner)

Membership No : 103145

Mumbai, dated October 23rd, 2019

For and on behalf of the Board of Directors

R. Srikrishna

(CEO & Executive

Director)

(DIN-03160121)

Meera Shankar

(Director)

(DIN-06374957)

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

1 Corporate Information

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

2 Significant Accounting Policies

The condensed interim financial statements have been prepared in accordance with generally accepted accounting principles in India including Ind AS 34 Interim Financial Reporting and using the same accounting policies as followed in the audited financial statements for the year ended on December 31, 2018 except in relation to revenue recognition as discussed in note 3 below. These condensed interim financial statements do not include all of the information required in annual financial statements and should be read in conjunction with the company's financial statements for the year ended December 31, 2018.

3 Revenue recognition

Effective January 1, 2019, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended December 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the company is not material.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services.

In case of contract on time and material basis, transaction-based or volume-based contracts, revenue is recognised when the related services are performed.

In case of fixed price contracts, revenue is recognized using percentage of completion method. The company uses the efforts expended to date as a proportion to the total efforts to be expended as a basis to measure the degree of completion. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated. Amount received or billed in advance of services performed are recorded as unearned revenue. Unbilled services represents revenue recognized based on services performed in advance of billing in accordance with contract terms.

Revenues related to fixed-price maintenance, testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

4 Recent accounting pronouncements

Certain new standards, amendments to standards are not yet effective for annual periods beginning after January 1, 2019, and have not been applied in preparing these condensed interim financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the company are:

a) Ind AS 116 – Leases

Ind AS 116 replaces the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognized assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of Ind AS 116 is annual periods beginning January 1, 2020.

The company is currently assessing the impact of adopting Ind AS 116 on the financial statements.

b) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The amendments are effective from the annual periods beginning January 1, 2020. The company is currently assessing the impact of adopting the amendments on its financial statements.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

5 Property, Plant and Equipment (PPE)

(Rupees Million)

PPE consist of the following :

	<u>Freehold Land</u>	<u>Buildings</u>	<u>Plant and Machinery</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Office Equipments</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>COST</u>								
At January 1, 2019	0.15	3,036.02	2,117.59	685.98	16.93	1,239.79	4.97	7,101.43
Additions	-	153.94	429.15	238.33	2.53	168.17	-	992.12
(Disposals) / Adjustments	-	-	(32.61)	-	0.93	(2.89)	-	(36.43)
At September 30, 2019	<u>0.15</u>	<u>3,189.96</u>	<u>2,514.13</u>	<u>924.31</u>	<u>18.53</u>	<u>1,405.07</u>	<u>4.97</u>	<u>8,057.12</u>
<u>ACCUMULATED DEPRECIATION</u>								
At January 1, 2019	-	363.85	1,633.88	498.21	12.05	906.31	4.96	3,419.26
Charge for the period	-	41.39	196.88	48.23	2.04	94.71	0.00	383.25
Disposals	-	-	(31.53)	-	0.93	(2.74)	-	(35.20)
At September 30, 2019	<u>0.00</u>	<u>405.24</u>	<u>1,799.23</u>	<u>546.44</u>	<u>13.16</u>	<u>998.28</u>	<u>4.96</u>	<u>3,767.31</u>
<u>NET CARRYING AMOUNT</u>								
At September 30, 2019	<u>0.15</u>	<u>2,784.72</u>	<u>714.90</u>	<u>377.87</u>	<u>5.37</u>	<u>406.79</u>	<u>0.01</u>	<u>4,289.81</u>
<u>COST</u>								
At January 1, 2018	0.15	2,734.49	1,878.08	624.83	17.85	1,185.21	4.97	6,445.58
Additions	-	301.53	275.69	61.15	-	66.23	-	704.60
Disposals / adjustments	-	-	(36.18)	-	(0.92)	(11.65)	-	(48.75)
At December 31, 2018	<u>0.15</u>	<u>3,036.02</u>	<u>2,117.59</u>	<u>685.98</u>	<u>16.93</u>	<u>1,239.79</u>	<u>4.97</u>	<u>7,101.43</u>
<u>ACCUMULATED DEPRECIATION</u>								
At January 1, 2018	-	310.99	1,447.48	453.98	10.30	804.30	4.92	3,031.97
Charge for the year	-	52.86	219.92	44.23	2.67	113.65	0.04	433.37
Disposals / adjustments	-	-	(33.52)	-	(0.92)	(11.64)	-	(46.08)
At December 31, 2018	<u>-</u>	<u>363.85</u>	<u>1,633.88</u>	<u>498.21</u>	<u>12.05</u>	<u>906.31</u>	<u>4.96</u>	<u>3,419.26</u>
<u>NET CARRYING AMOUNT</u>								
At December 31, 2018	<u>0.15</u>	<u>2,672.17</u>	<u>483.71</u>	<u>187.77</u>	<u>4.88</u>	<u>333.48</u>	<u>0.01</u>	<u>3,682.17</u>

Note:

- Plant and machinery includes computer systems.
- Buildings includes office premises taken on long term finance lease of gross value amounting to Rs. 345.47 million and Rs. 345.47 million as at September 30, 2019 and December 31, 2018 and net carrying value amounting to Rs. 252.87 million and Rs. 257.17 million as at September 30, 2019 and December 31, 2018 respectively.

HEXAWARE TECHNOLOGIES LIMITED**NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS**

(Rupees Million)

6 Other Intangible assets

Intangible assets consist of the following :

COST**At January 1, 2019**

Additions

At September 30, 2019**ACCUMULATED AMORTISATION****At January 1, 2019**

Amortisation for the period

At September 30, 2019**NET CARRYING AMOUNT****At September 30, 2019****COST****At January 1, 2018**

Additions

At December 31, 2018**ACCUMULATED AMORTISATION****At January 1, 2018**

Amortisation for the year

At December 31, 2018**NET CARRYING AMOUNT****At December 31, 2018****Software
Licenses**

582.93

48.00

630.93

490.06

43.68

533.74

97.19

511.44

71.49

582.93

429.36

60.70

490.06

92.87

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

7 Investments

A Non current investments in equity shares (unquoted)

Investments in equity instruments of subsidiaries (at cost)

	<u>As at</u>	<u>As at</u>
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,632.68	1,632.68
2,167,000 shares of 1/- GBP each fully paid up in Hexaware Technologies UK Ltd.	154.64	154.64
500,000 shares of Singapore \$ 1/- each fully paid up in Hexaware Technologies Asia Pacific Pte. Ltd., Singapore	12.48	12.48
3,618 shares of face value 50/- euro each fully paid up in Hexaware Technologies GmbH., Germany	7.57	7.57
1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	0.73	0.73
1 participation share of no par value in Hexaware Technologies Mexico S De R.L. De C.V.	29.42	29.42
40 shares at no par value in Guangzhou Hexaware Information Technologies Company Limited, China	2.00	2.00
Entire Share Capital in Hexaware Technologies Limited Liability Company, Russia	26.95	26.95
45,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	8.03	8.03
1,945,000 shares of HKD 1/- each in Hexaware Technologies Hong Kong Limited, Hong Kong	16.13	16.13
500 shares of SEK 100/- each in Hexaware Technologies Nordic AB, Sweden	0.40	0.40
10 shares of USD 5000/- each in Hexaware Information Technologies (Shanghai) Company Limited.	3.71	3.71
10292 Shares of INR 10 in Mobiquity Softech Pvt Ltd	401.17	-
	<u>2,295.91</u>	<u>1,894.74</u>

Other Investments

At fair value through other comprehensive income

240,958 equity shares of Rs. 10/- each in Beta Wind Farm Pvt. Ltd.	4.58	4.58
	<u>2,300.49</u>	<u>1,899.32</u>

Notes:

- 1 Net of provision for impairment in the value of investment of Rs.11.14 Million (December 31, 2018 Rs. 11.14 Million)
- 2 Net of provision for impairment in the value of investment of Rs.121.65 Million (December 31, 2018 Rs. 121.65 Million)

B Current investments in mutual funds (unquoted)

At fair value through profit and loss account

Mutual fund units	0.00	101.28
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HEXAWARE TECHNOLOGIES LIMITED**NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS****(Rupees Million)**

8 Components of deferred taxes:	<u>September 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Deferred tax assets		
Allowance for doubtful debts and advances	32.14	21.84
Employee benefit obligations	100.10	91.02
Provision for severance pay	0.01	0.01
Minimum alternate tax credit carry forward	1,591.22	1,482.16
Unrealised loss on cash flow hedges	-	0.89
Total	<u>1,723.47</u>	<u>1,595.92</u>
Deferred tax liabilities		
Unrealised gain on cash flow hedges	42.78	-
Depreciation	230.20	206.93
Total		
Net deferred tax asset	<u>1,450.49</u>	<u>1,388.99</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

	<u>As at</u>	<u>(Rupees Million)</u> <u>As at</u>
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
9 Other financial assets (unsecured) (considered good)		
A <u>Non-current</u>		
Others receivables from related parties (Refer note no. 24)	38.98	-
Interest accrued on bank deposits	0.22	0.77
Foreign currency derivative assets	132.51	101.43
Restricted bank balances (a)	7.92	5.57
Security deposits for premises and others	274.08	227.29
	<u>453.71</u>	<u>335.06</u>
	<u>453.71</u>	<u>335.06</u>
(a) Restriction on account of bank deposits held as margin money		
B <u>Current</u>		
Interest accrued on bank deposits	0.13	0.66
Foreign currency derivative assets	211.85	94.16
Security deposits for premises and others @	2.93	1.78
Others receivables from related parties (Refer note no. 24)	391.80	289.07
Employee advances	182.83	123.06
	<u>789.54</u>	<u>508.73</u>
	<u>789.54</u>	<u>508.73</u>

@ Exclude deposits aggregating Rs. 34.56 million provided as doubtful of recovery basis the expected credit loss model.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

10 Other assets (unsecured)

A Non-current

	<u>As at</u>	<u>As at</u>
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Capital advances	1.50	47.05
Prepaid expenses relating to leasehold land *	529.32	530.30
Other prepaid expenses	152.61	96.67
Indirect taxes recoverable	122.11	112.22
	<u>805.54</u>	<u>786.24</u>

* includes unamortised lease premium in respect of one parcel of leasehold land allotted to the Company at Nagpur for which final lease agreement is being executed amounting to Rs. 79.18 million and 79.87 million as at September 30, 2019 and December 31, 2018 respectively.

B Current

Prepaid expenses	186.94	202.46
Indirect taxes recoverable	84.66	65.34
Others	41.76	17.34
	<u>313.36</u>	<u>285.14</u>

11 Trade Receivables (unsecured)

Considered good	6,016.80	5,363.53
Considered doubtful	64.85	32.38
Less: Allowance for doubtful receivables	(64.85)	(32.38)
	<u>6,016.80</u>	<u>5,363.53</u>

12 Cash and bank balances:

A Cash and cash equivalents

Remittance in transit	53.36	-
In current accounts with banks	572.47	1,257.70
Bank deposit accounts with less than 3 months maturity	47.00	62.77
Unclaimed dividend accounts	155.29	154.38
Margin money with banks	7.92	5.57
	836.04	1,480.42
Less: Restricted bank balances	(163.21)	(159.95)
	<u>672.83</u>	<u>1,320.47</u>

B Other bank balances

Restricted bank balances in respect of unclaimed dividend	155.29	154.38
	<u>155.29</u>	<u>154.38</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

13 Equity Share Capital

	(Rupees Million)	
	<i>(except per share data)</i>	
	As at	As at
13.1 <u>Authorised capital</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
525,000,000 Equity shares of Rs. 2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of Rs.1,421 each	1,563.10	1,563.10
13.2 <u>Issued, subscribed and paid-up capital</u>		
Equity shares of Rs. 2 each	<u>596.68</u>	<u>594.72</u>
13.3 <u>Reconciliation of number of shares</u>		
Shares outstanding at the beginning of the period/ year	297,360,989	296,803,757
Shares issued during the period/ year	<u>976,692</u>	<u>557,232</u>
Shares outstanding at the end of the period/ year	<u>298,337,681</u>	<u>297,360,989</u>

13.4 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 liabilities, in proportion to their shareholding.

13.5 Details of shares held by shareholders holding more than 5% shares

Name of Shareholder

HT Global IT Solutions Holdings Ltd. (Holding Company)	No. of shares held	186,318,590	186,318,590
	% of holding	62.45%	62.66%
HDFC Trustee Company Limited	No. of shares held	19,864,531	19,274,031
	% of holding	6.66%	6.48%

13.6 Shares reserved for issue under options

The Company has granted employee stock options under ESOP 2007 and 2008 schemes and restricted stock (RSU's) under the ESOP 2008 and 2015 scheme. Each option / RSU entitles the holder to one equity share of Rs. 2 each. 7,688,303 options/ RSU's were outstanding as on September 30, 2019 (8,687,324 options as on December 31, 2018).

13.7 The dividend per share recognised as distribution to equity shareholders during the period ended September 30, 2019 was Rs 6.50 per share (year ended December 31, 2018 was Rs.7.00 per share and period ended September 30, 2018 Rs.4.50 per share).

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

	<u>As at</u>	<u>As at</u>
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
14 Other financial liabilities		
A Non-current		
Capital creditors	1.18	-
Foreign currency derivative liabilities	22.02	72.95
Accrued expenses	2.18	2.69
	<u>25.38</u>	<u>75.64</u>
B Current		
Unclaimed dividend *	155.29	154.38
Capital creditors	139.39	74.93
Employee liabilities	415.70	445.12
Foreign currency derivative liabilities	88.86	135.19
	<u>799.24</u>	<u>809.62</u>
*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
15 Trade and other payables		
Trade payables	293.15	295.07
Accrued expenses	364.06	503.57
	<u>657.21</u>	<u>798.64</u>
16 Other liabilities		
A Non-Current		
Unearned Revenues	38.98	-
	<u>38.98</u>	<u>-</u>
B Current		
Advance from Customers	-	190.12
Unearned revenues	78.93	17.09
Statutory liabilities	220.99	204.58
	<u>299.92</u>	<u>411.79</u>
17 Provisions - Others		
Provision at the beginning of the period / year	-	5.82
Paid during the period / year	-	(3.11)
Adjusted during the period / year	-	(2.71)
Provision at the end of the period / year	<u>-</u>	<u>-</u>

Above represents provisions towards expenditure relating to employee benefit obligations on contract acquisition, the outflow for which is expected within the next year.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

18 Other income	For quarter ended		For nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Dividend and guarantee	1.07	3.18	3.32	8.20
Interest income	11.62	2.55	14.25	6.44
Profit on sale of PPE (net)	(0.42)	0.14	0.92	0.21
Miscellaneous income	1.84	0.45	6.53	6.19
	<u>14.11</u>	<u>6.32</u>	<u>25.02</u>	<u>21.04</u>
19 Software and development expenses				
Consultant travel and related expenses	78.28	53.95	205.91	188.77
Software expenses *	109.84	62.50	648.48	227.40
	<u>188.12</u>	<u>116.45</u>	<u>854.39</u>	<u>416.17</u>
* includes sub- contracting charges	109.07	56.90	298.02	205.67
20 Employee benefits expense				
Salary and allowances	2,694.00	2,120.53	7,396.74	6,074.16
Contribution to provident and other funds	170.60	147.06	474.21	410.57
Staff welfare expenses	119.74	102.07	328.63	280.30
Employee stock option compensation cost	20.39	53.85	78.81	154.17
	<u>3,004.73</u>	<u>2,423.51</u>	<u>8,278.39</u>	<u>6,919.20</u>
21 Operation and other expenses				
Rent	83.92	54.77	207.60	158.52
Rates and taxes	7.44	6.39	20.86	32.82
Travelling and conveyance	130.50	91.58	363.55	286.28
Electricity charges	82.39	61.66	221.62	181.72
Communication expenses	59.08	39.49	153.65	111.70
Repairs and maintenance	99.28	91.60	282.86	255.66
Printing and stationery	10.40	7.32	33.26	21.42
Auditors remuneration	4.42	5.79	12.27	12.41
Legal and professional fees	34.90	33.19	107.96	135.27
Advertisement and business promotion	26.72	24.61	84.80	84.87
Bank and other charges	1.98	4.05	6.27	9.03
Directors' sitting fees	0.30	0.38	1.24	1.26
Insurance charges	3.16	6.92	16.64	17.02
Debts and advances written off	0.00	0.00	0.00	5.47
Provision for doubtful accounts (net of write back)	18.59	34.63	32.08	30.38
Provision for impairment in the value of investment (Refer note 5A)	0.00	44.79	0.00	132.79
Staff recruitment expenses	31.02	24.61	89.01	76.66
Service charges	59.97	46.58	166.81	144.30
Miscellaneous expenses	49.59	34.27	83.17	77.32
	<u>703.66</u>	<u>612.63</u>	<u>1,883.65</u>	<u>1,774.90</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

22 Financial Instruments

The carrying value / fair value of financial instruments (excluding investments in subsidiaries) by categories is as follows:

(Rupees Million)

September 30, 2019	Amortised <u>Cost</u>	Fair value through profit <u>and loss</u>	Fair value through other comprehensive <u>income</u>	Derivative instrument in hedging <u>relationship</u>	Total carrying / <u>fair value</u>
Cash and cash equivalents	672.83	-	-	-	672.83
Other bank balances	155.29	-	-	-	155.29
Investments in mutual fund units	-	-	-	-	-
Trade receivables	6,016.80	-	-	-	6,016.80
Unbilled revenue	1,809.28	-	-	-	1,809.28
Other financial assets	898.89	-	-	344.36	1,243.25
Investments in equity shares	-	-	4.58	-	4.58
	9,553.09	-	4.58	344.36	9,902.03
Trade payables	657.21	-	-	-	657.21
Other financial liabilities	713.74	-	-	110.88	824.62
	1,370.95	-	-	110.88	1,481.83

(Rupees Million)

December 31, 2018	Amortised <u>Cost</u>	Fair value through profit <u>and loss</u>	Fair value through other comprehensive <u>income</u>	Derivative instrument in hedging <u>relationship</u>	Total carrying / <u>fair value</u>
Cash and cash equivalents	1,320.47	-	-	-	1,320.47
Other bank balances	154.38	-	-	-	154.38
Investments in mutual fund units	-	101.28	-	-	101.28
Trade receivables	5,363.53	-	-	-	5,363.53
Unbilled revenue	1,448.45	-	-	-	1,448.45
Other financial assets	648.20	-	-	195.59	843.79
Investments in equity shares	-	-	4.58	-	4.58
	8,935.03	101.28	4.58	195.59	9,236.48
Trade payables	798.64	-	-	-	798.64
Other financial liabilities	677.12	-	-	208.14	885.26
	1,475.76	-	-	208.14	1,683.90

Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, trade payables, other financial assets and liabilities approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of, other financial assets and liabilities subsequently measured at amortised cost is not significant in each of the years presented.

HEXAWARE TECHNOLOGIES LIMITED**NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS****22 Financial Instruments (contd...)****Fair value hierarchy**

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	(Rupees Million)			
<u>September 30, 2019</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Mutual fund units	-	-	-	-
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	344.36	-	344.36
	-	344.36	4.58	348.94
Derivative financial liabilities	-	110.88	-	110.88
<u>December 31, 2018</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Mutual fund units	101.28	-	-	101.28
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	195.59	-	195.59
	101.28	195.59	4.58	301.45
Derivative financial liabilities	-	208.14	-	208.14

Valuation Technique

Investment in mutual funds is measured at the redemption price declared by the mutual fund. Derivatives are measured basis the counterparty quotes obtained. Cost of investment in equity shares is considered to be representative of fair value.

22 Financial Instruments (contd...)**Derivative financial instrument**

The Company uses derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of change in foreign exchange rate on trade receivables and forecasted cashflow denominated in foreign currencies.

Outstanding hedges by way of forward contracts are as follows : (In Million)

Currency hedged	As at September 30, 2019	As at December 31, 2018
Sell USD	197.40	162.12
Sell Euro	6.00	5.84
Sell GBP	13.08	11.32

The weighted average forward rate for the hedges outstanding as at September 30, 2019 is Rs. 74.15, Rs. 89.72 and Rs. 98.73 (December 31, 2018 is Rs. 71.83, Rs. 88.22 and Rs. 98.70) for USD, Euro and GBP, respectively. The hedges mature over the eight quarters.

The movement in accumulated other comprehensive income on account of derivatives designated as cash flow hedges is as under:

Particulars	(Rupees Million)	
	For nine months ended	
	September 30, 2019	September 30, 2018
Balance at the beginning of the year	(14.86)	465.83
Less: Net gains transferred to statement of profit or loss on	(123.03)	(187.11)
Add: Changes in the fair value of the effective portion of	337.19	(1,101.68)
Less : Deferred tax	(43.67)	253.35
Balance at the end of the period	155.63	(569.61)

There were no material hedge ineffectiveness for the period ended September 30, 2019 and and year ended 31st December 2018.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

23 Earnings per share

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

	For quarter ended		For Nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net profit after tax (Rupees Million)	1,427.27	1,411.16	3,756.06	3,477.74
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,199,982	296,852,488	297,929,332	296,840,546
Basic earnings per share (In Rupees)	4.79	4.75	12.61	11.72
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,199,982	296,852,488	297,929,332	296,840,546
Add : Effect of dilutive issue of stock options (Nos.)	4,389,461	5,183,651	4,326,264	5,135,293
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	302,589,443	302,036,139	302,255,596	301,975,839
Diluted earnings per share (In Rupees)	4.72	4.67	12.43	11.52

24 Related party disclosures

Name of the Related Parties	Country
Ultimate Holding company and its Subsidiaries	
Baring Private Equity Asia GP V. LP (ultimate holding entity) (control exists)	Cayman Island
The Baring Asia Private Equity Fund V, LP	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited	Mauritius
Holding Company (control exists)	
HT Global IT Solutions Holdings Limited	Mauritius
Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies UK Ltd.	United Kingdom
Hexaware Technologies Asia Pacific Pte. Ltd.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Ltd.	Canada
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Hexaware Technologies DO Brazil Ltd, Brazil ^{(1) & (3)}	Brazil
Guangzhou Hexaware Information Technologies Company Limited	China
Hexaware Technologies LLC	Russia
Hexaware Technologies Saudi LLC	Saudi Arabia
Hexaware Technologies Romania SRL ⁽¹⁾	Romania
Hexaware Technologies Hong Kong Limited	China
Hexaware Technologies Nordic AB	Sweden
Digitech Technologies Incorporated ⁽²⁾	USA
Hexaware Information Technologies (Shanghai) Company Limited	China
Mobiquity Inc ⁽⁵⁾	USA
Mobiquity Velocity Solutions, Inc ⁽⁶⁾	USA
Mobiquity Velocity Cooperative UA ⁽⁶⁾	Netherland
Mobiquity BV ⁽⁷⁾	Netherland
Morgan Clark BV ⁽⁷⁾	Netherland
Mobiquity Softech Private Limited ⁽⁸⁾	India
Montana Merger Sub Inc. ⁽⁹⁾	USA
Associate	
Experis Technology Solutions Pte Ltd ⁽⁴⁾	Singapore
Key Management Personnel (KMP)	
Executive Director and CEO	
Mr. R Srikrishna	
Non-executive directors	
Mr. Atul K Nishar	
Mr. Jimmy Mahtani	
Mr. Kosmas Kalliarekos	
Mr. Dileep Choksi	
Mr. Bharat Shah	
Mr. P R Chandrasekar	
Ms. Meera Shankar	
Mr. Christian Oecking	
Mr. Basab Pradhan	
Notes:	
1. Subsidiary of Hexaware Technologies UK Ltd.	
2. Subsidiary of Hexaware Technologies Inc., closed on September 27, 2018.	
3. Closed on July 24, 2018.	
4. Associate of Hexaware Technologies Asia Pacific Pte Ltd .	
5. Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Inc.	
6. Subsidiary of Mobiquity Inc.	
7. Subsidiary of Mobiquity Velocity Cooperative UA	
8. Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Limited	
9. Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019	

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

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

Nature of transactions	Name of the Related party and Relationship	For the Quarter ended		Nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Investment made	Subsidiaries				
	Mobiqity Softech Private Limited	-	-	401.17	-
Corporate Guarantee Given	Subsidiaries				
	Hexaware Technologies Inc.	-	-	7,661.22	-
Impairment in value of Investment	Subsidiaries				
	Hexaware Technologies LLC - Russia	-	33.65	-	121.65
	Guangzhou Hexaware Information Technologies Company Limited	-	11.14	-	11.14
		-	44.79	-	132.79
Software and consultancy income	Subsidiaries				
	Hexaware Technologies Inc.	2,744.33	2,469.86	7,413.74	6,833.82
	Hexaware Technologies UK Ltd.	431.63	426.51	1,401.05	1,065.11
	Others	153.57	158.78	478.31	436.99
		3,329.53	3,055.15	9,293.10	8,335.92
	Associate				
	Experis Technology Solutions Pte Ltd	44.74	27.90	120.18	92.99
	44.74	27.90	120.18	92.99	
Software and development expenses - subcontracting charges	Subsidiaries				
	Hexaware Technologies Inc.	41.91	12.18	91.47	58.56
	Others	-	2.64	1.13	2.64
	41.91	14.82	92.60	61.20	
Reimbursement of cost to	Subsidiaries				
	Hexaware Technologies Inc.	0.73	5.69	7.85	18.29
	Hexaware Technologies UK Ltd.	3.06	4.78	20.86	12.70
	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	1.94	-	2.47	-
	Others	0.27	-	0.59	-
	6.00	10.47	31.77	30.99	
Recovery of cost from	Subsidiaries				
	Hexaware Technologies Inc.	115.83	141.25	300.37	396.07
	Hexaware Technologies UK Ltd.	81.62	70.12	249.65	217.12
	Others	32.11	8.43	78.73	33.91
	229.56	219.80	628.75	647.10	
Corporate Gurantee Charges	Subsidiaries				
	Hexaware Technologies Inc.	11.47	-	11.47	-
	11.47	-	11.47	-	
Remuneration to KMP's and Directors	Short term employee benefits	1.35	1.25	3.59	3.63
	Post employee benefits	0.03	0.03	0.09	0.08
	Share based payment	12.00	14.06	38.27	38.55
	Commission and other benefits to non-executive directors	7.39	11.86	27.96	32.78
		20.77	27.20	69.91	75.04
		20.77	27.20	69.91	75.04

Notes

Provision is made for the commission for the period ended September 30, 2019, payment of which is subject to adequacy of profits to be determined annually.

Outstanding Balances

Name of the Related party and Relationship	As at September, 2019	As at December 31, 2018
Subsidiaries		
Investment in equity (Including share application money) (Refer note no 7A)	2,295.91	1,894.74
Trade and other receivable		
- Hexaware Technologies Inc	5,067.66	4,574.06
- Hexaware Technologies UK Ltd	1,088.13	542.92
- Others	118.37	93.75
	6,274.16	5,210.73
Trade payable - towards services and reimbursement of cost		
- Hexaware Technologies Inc	56.56	21.41
- Hexaware Technologies UK Ltd	20.89	7.93
- Hexaware Technologies Asia Pacific Pte Ltd	119.54	-
- Others	4.50	3.16
	201.49	32.50
Corporate Gaurantee		
- Hexaware Technologies Inc	7,867.13	-
Trade receivable from Associate	34.35	49.83
Payable to / Provision for KMP's	20.01	40.87

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

25 Contingent liabilities

- a. Claims not acknowledged as debt amounts to Rs. 28.14 million (Rs. 28.14 million as on December 31, 2018), being a claim from landlord of a premise occupied by the Company in an earlier year. The Company is confident of successfully contesting the aforesaid matter and does not expect any outflow on this count.
- b. Claims for taxes on income where Company is in appeal

Income tax demands of Rs. 9.59 million (Rs. 9.59 million as on December 31, 2018) have been raised in respect of assessments completed in earlier year, arising from certain disallowances by the Income tax authorities. The Company has appealed against the orders and based on merit, expects favourable outcome. Accordingly, no provision against such demand is considered necessary.

The above does not include all other obligations resulting from customer claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

26 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the condensed financial statements except the matter mentioned below:

The Board of Directors, at its meeting held on October 23, 2019 has declared interim dividend of Rs.2.00/- per equity share (100%) . This would result in estimated outflow of Rs.719.32 million including corporate dividend tax of Rs 122.65 million.

- 27 Information on segment has been disclosed on a consolidated basis in accordance with Ind AS 108 "operating Segment".

28 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on October 23, 2019.